

SPORTS  
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## Swiss Voters Turn Down Legalization Of Narcotics

### Measure Sought to Cut Drug-Related Crime Through State Control

By Elizabeth Olson  
New York Times Service

GENEVA — Swiss voters decisively rejected on Sunday a radical measure to legalize marijuana, heroin and cocaine, turning aside arguments that a government-managed narcotics network would curb drug-related crime.

The proposal would have allowed any Swiss resident over 18 years old to buy narcotics at state-approved pharmacies after consulting a doctor.

Nearly 74 percent of voters rejected the initiative, which had been expected to fail, but not to such an overwhelming extent.

"It was a surprise," said Francois Reusser, spokesman for the committee that launched the initiative "for a sensible drug policy."

"Voters reacted emotionally to the heroin aspect," he said. But Mr. Reusser said he hoped lawmakers would still consider liberalizing the use and possession of cannabis, which federal statistics indicate is regularly consumed by some 500,000 people in Switzerland.

If some of the marijuana smokers had gone to the polls, Mr. Reusser said, the outcome might have been different. "It's too easy to buy cannabis here, or to smoke it on the road, or people would have voted," he said.

Despite that, he said the committee, backed by Socialists, medical doctors, lawyers and drug experts, would consider a new campaign to collect the signatures necessary to force a ballot vote on legalizing cannabis.

Government officials said the vote confirmed Switzerland's policy of fighting against illicit drugs, but also showed the worst-off addicts through a program that gives heroin and methadone to a controlled group of addicts. This nation of 7 million has an estimated 30,000 to 36,000 hard-drug addicts, one of the worst problems in Europe.

Thomas Zellmer, chief of the federal health department, said Bern was ready to review policies on soft drugs, which include marijuana and hashish. The government is proposing new laws on

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Sonia Gandhi, president of the victorious Congress (I) Party, greeting supporters on Sunday in New Delhi.

## Vote in India Stuns Hindu Nationalists

### Governing Coalition Put at Risk

By Celia W. Dugger  
New York Times Service

NEW DELHI — As vote tallies piled up here, the humiliating defeat of the Hindu nationalists and the stunning resurrection of India's once-dominant political force, the Congress (I) Party, became ever more stark Sunday.

Voters outraged by the spiraling prices of onions, tomatoes and potatoes swept the Hindu nationalist Bharatiya Janata Party from office by landslide margins where it had been deeply entrenched in the northern region of Delhi, where the federal capital is located, and in the Hindi heartland state of Rajasthan.

Even more surprising in a year marked by an anti-incumbent mood among voters, the Congress Party managed to hold on firmly to power in India's largest state, Madhya Pradesh. Political analysts

said it was likely that voters there blamed the national government, led by the Hindu nationalists, for price increases, not the state government.

While the Hindu nationalists alienated leaders all over the world in May when the government conducted secret underground nuclear tests, pollsters have found that it was rising vegetable prices that cost them dearly with voters at home.

The repudiation of the Hindu nationalists in state elections, which were held Wednesday and counted over the weekend, will further undermine the 8-month-old, 18-party coalition government they lead at the national level, already plagued by squabbles that range from the farcical to the serious.

While some of the Bharatiya Janata Party's partners openly criticized it over

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## Will Japanese Join Rush to Mutual Funds?

By Kathryn Tolbert  
International Herald Tribune

TOKYO — A sea change is under way in Japan's financial world, and hundreds of millions of dollars are being bet that Japan's ardent savers are finally ready to part with some of their hoards of cash.

Japanese currently have \$10 trillion in personal financial assets — second highest in the world behind the United States — and some 60 percent of that hoard sits in savings accounts that earn less than 0.5 percent interest.

But with key elements of a three-year financial deregulation process called the "Big Bang" coming into place for the new ball game, individual Japanese suddenly are getting many more opportunities to invest their savings in the Japanese market.

Their choices change sharply Tuesday, when rules take effect allowing an array of mutual funds — the most popular purchase by individuals these days — to be sold by banks throughout the country instead of just by brokerages.

The question Japanese and foreign analysts are trying to answer is: Are Japanese savers basically conservative and risk-averse or have they kept their money in bank accounts because they

have not had more attractive options?

The betting is on the latter, and the stakes are huge. While the movement from cash can best be described as a trickle so far, it would not take much of a shift to double the business of investment companies.

Goldman, Sachs & Co., which has sold more mutual funds in Japan than any other asset manager for the past six months, had \$12.5 billion in mutual fund assets at the end of October while Merrill Lynch & Co.'s asset management arm had \$2.6 billion and Morgan Stanley & Co. had about \$1.6 billion.

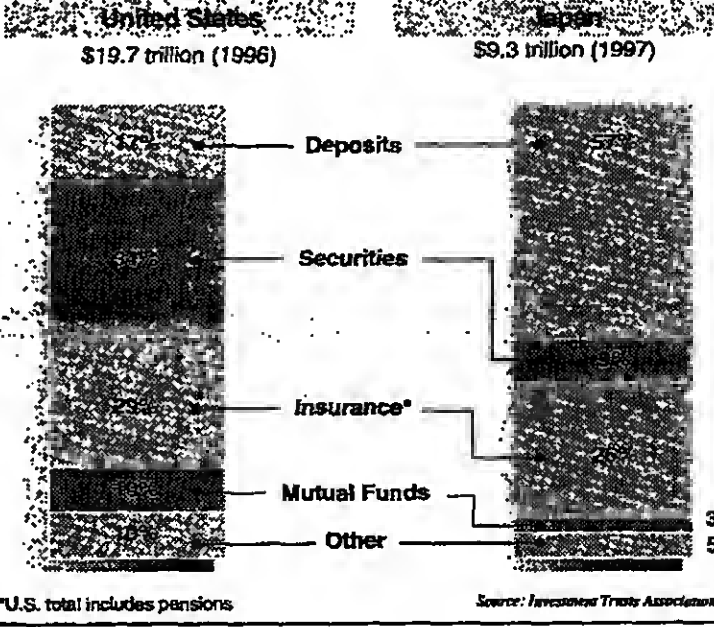
The Japanese market for mutual funds, which now total only about \$350 billion of the \$10 trillion asset pool, should increase tenfold over the next decade, Thomas Jones, co-chairman of Citigroup's newly formed SSBC Asset Management Group, said in Tokyo last week. That projected growth means selling funds here is a top global priority, he said. "We must be successful in Japan."

Mutual fund accounts are at a historic low, with the number of accounts dropping to 300,000 at the end of 1997 from 2.5 million in 1989. Meanwhile, the amount of money held in postal savings accounts — considered the safest kind of deposit — rose slightly

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### Where They Stash the Cash

Investors in the United States and Japan have the highest amounts of personal assets in the world, but how they are held differs significantly between the two countries.



## Arab World's Shifts Signal Chilly Season for Saddam

### Iraqi Isolation in the Region Appears to Grow

By Barbara Crossette  
New York Times Service

UNITED NATIONS, New York — In the uneasy calm that has followed President Bill Clinton's decision to call off the bombing of Iraq this month, diplomats watching for Saddam Hussein's next move sense something profoundly different in the Iraqi air.

While clues do not add up to conclusions, some Arab and Western experts have seen signs that Mr. Saddam is more isolated in his own region than at any time since his 1990 invasion of Kuwait, which drove fellow Arab nations into backing the U.S.-led coalition in the subsequent Gulf War.

The chilling of Arab relations with Iraq has diverse causes.

Contributing to the trend is the finally tangible, however slow, progress in peace agreements between Israel and Palestinians. Mr. Clinton's forceful and sustained role in the Wye Plan talks was widely noticed in Arab nations, a Middle Eastern envoy said. Relatively small events, like the opening last week of the Palestinian first international airport at Gaza, are "a tremendous psychological boost" to better feelings about the United States, the diplomat added.

Arab diplomats say that Iraq appears to be convinced that Syria, an old rival, has been lured by Washington into believing that its concerns about Israel and its demand for a return of the Golan Heights could be dealt with next. The

subtext in the message is that Syria would do well to distance itself from Baghdad. Similarly, recent U.S. efforts to feel out Iran, however tentative and cautious they have been, can be interpreted by Iraqis as cover for the Iraqis should they choose to make trouble for Iraq.

Even the collapse of world oil prices

From ruins of war and sanctions, Baghdad is rebuilding, Page 2.

to the lowest level in a decade plays a part in distancing the Arabs and Iraqis from Iraq, since other oil producers in the region are not eager to see Iraq free to export petroleum at this point — a principal Iraqi aim in seeking a relaxation of United Nations sanctions.

But exasperation with Mr. Saddam's defiance of the United Nations, fears that he will bring destabilizing destruc-

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An Iraqi sculptor on Sunday with one of six statues of President Saddam Hussein that he has created for displays throughout Baghdad.

## Purge Makes Strongman Look Weak in Yugoslavia

### Associates of Milosevic's Wife Take Key Posts

By Jane Perlez  
New York Times Service

BELGRADE — In moves viewed here and by some in Washington as signs of weakness rather than strength, President Slobodan Milosevic of Yugoslavia has conducted an extraordinary purge of his innermost circle, dismissing the leaders of the army, the air force and the intelligence service, as well as one of his most trusted political commissars.

Few are brave enough to say how or when Mr. Milosevic will go. But many officials here and in Washington say that the dismissals represent the beginning of the end.

The purge, conducted in the wake of Mr. Milosevic's agreement Oct. 13 to pull troops out of Kosovo, culminated last week with the dismissal of General Momcilo Perisic, the long-serving army chief of staff and an architect of the war in Bosnia.

In the last month, Mr. Milosevic has

been seen by former associates as increasingly insecure, even paranoid, as Kosovo drifts from his control, the embattled economy gets weaker and he bows to the demands of his politically powerful wife, replacing his apparatchiks with hers.

"Deep in their minds they know that there will be social unrest, and they want totally loyal people around them when it happens," Bratislav Grubacic, the editor of an English-language newsletter for diplomats and others in Belgrade, said of Mr. Milosevic and his wife, Mirjana Markovic. "He is closing the areas where he doesn't feel comfortable — people in the state apparatus who might eventually become disloyal."

A Washington official who has followed Yugoslavia for more than a decade said: "The regime is brittle. It will crack. It will break."

The dismissals have inspired open

See MILOSEVIC, Page 9

## Jiang Trips Over the Issue Of Japanese War Apology

By Nicholas D. Kristof  
New York Times Service

TOKYO — Just last month, Japan had seemed to be making major progress in laying World War II to rest, forthrightly apologizing to South Koreans for its behavior to World War II and receiving something of an absolution from the visiting South Korean president.

Then President Jiang Zemin of China arrived on the first visit ever by a Chinese head of state and asked for a similar apology. And suddenly, like a forgotten old jack-in-the-box, history leaped out of the past to roil the present and future.

Prime Minister Keizo Obuchi offered Mr. Jiang the traditional welcome gift — a statement of "deep remorse" for Japan's war-time conduct — but Mr. Jiang wanted an actual formal written apology. And Japan refused.

The grim shadowboxing these days as Mr. Jiang travels around Japan, exhorting his hosts to confront their past while he is told to pipe down, underscores the degree to which East Asian history dominates the present.

Mr. Jiang's visit has achieved some genuine progress in such areas as youth exchanges and environmental cooperation. But on the most crucial source of tensions between the two great powers of East Asia, the visit seems to have left relations more embittered than ever.

To Chinese, Japanese reluctance to apologize formally suggests a dark ambivalence about one of the bloodiest invasions in human history. The Chinese are outraged when Japanese officials periodically suggest that the Rape of Nanking — in which Japanese troops massacred as many as 100,000 Chinese in 1937 — was much ado about nothing or that Japan was not an aggressor in the war.

"Some Japanese, even in high positions, have distorted history and tried to gloss over Japan's invasion of China," Mr. Jiang declared Saturday.

To Japanese, who often feel that half their diplomacy in Asia is spent bowing abjectly in regret for events that occurred before most of today's Japanese were born, Mr. Jiang's behavior has been impolite and calculating, simply an effort to push the guilt button.

Mr. Jiang was originally scheduled to visit in September, and if he had come

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## AGENDA

### Israeli Cabinet Seeks Strikes on Lebanon

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### Impeachment Plans

Republicans and Democrats are involved in hectic maneuvering over the impeachment inquiry. Beginning Monday, Republicans on the House Judiciary Committee aim to shore up their case against the president by taking several steps, including a public hearing Tuesday on perjury. Page 3.

### Quake in Indonesia

JAKARTA (Reuters) — At least four people were killed late Sunday after an earthquake, measuring 7.6 on the open-ended Richter scale, shook remote islands in eastern Indonesia late, a telephone company official said Monday from Mangole Island, near the epicenter of the quake.

**Newstand Prices**

Belgium	1,000 BF	Malta	55 c	
Cyprus	0.8	1.00	Nigeria	1,250 Naira
Denmark	17 DKR	Oman	1,250 OR	
France	12.00 FRF	Qatar	10.00 QR	
Germany	0.85	Rep. Ireland	1.10	
Greece	1,250 GR	Saudi Arabia	10 SA	
Great Britain	1.00	South Africa	1.00	
India	25.50	S. Africa	1.00	
Italy	1,250 L	U.A.E.	1.00	
Jordan	1.00	U.S.	1.00	
Korea	1.00	U.S.	1.00	
Switzerland	700	Fas Zimbabwe	20.00	





## Rebuilding Baghdad / The Ruins of War and Sanctions

## A Battered City Struggles to Recapture Its Past Glory

By Howard Schneider  
Washington Post Service

**B**AGHDAD — When he saw this city's graceful 14th of July Bridge lying in the Tigris River, a casualty of American missiles during the 1991 Gulf War, the Iraqi poet Abdul Wahid was reminded of a wounded bird, its wings broken, struggling to fly.

"I thought of all the lovers who met on that bridge," said Mr. Wahid, who incorporated his thoughts in a poem to commemorate the bridge's subsequent reopening. "I have seen old people weep on that bridge, and all I could think was, what was the benefit of destroying it?"

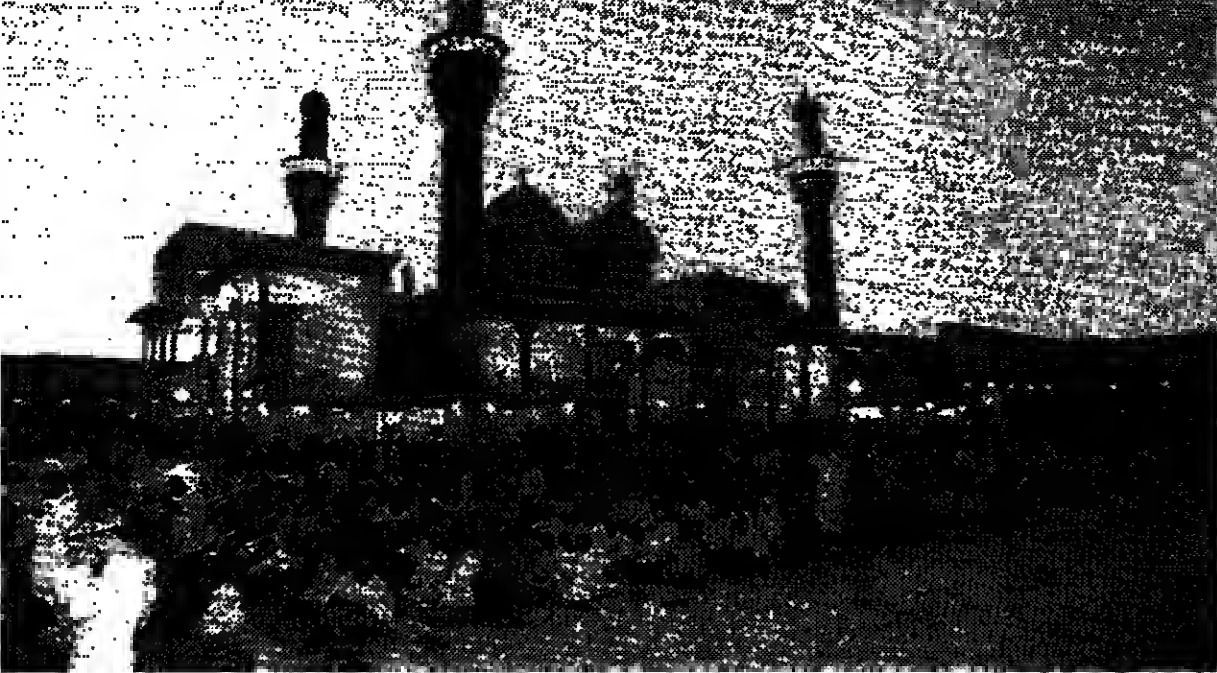
Like the bird in Mr. Wahid's poem, Baghdad is struggling again to take flight. Built in the 8th century, the legendary Iraqi capital, once a center of world culture and trade, has suffered in the last two decades through disastrous wars with Iran and the U.S.-led coalition that drove Iraqi forces from Kuwait, followed by eight years of crippling international trade sanctions. Residents — at least those who remain optimistic — refer to the city's past glory and say they expect to recapture it someday.

"There was war and then sanctions, and everything is frozen now," said Khader Duleimi, publisher and editor of the government-owned Baghdad Observer, an English-language newspaper. "We are trying to come to terms with this situation. We know that it is something artificial. It is not a reality. Once we have the embargo lifted, Baghdad will recover."

As it is, the United Nations trade embargo and the ever-present threat of renewed military action over UN weapons inspections have rendered Baghdad a study less in grandeur than in ambiguity. It is a place where gloomy economic circumstances coexist with a lively local stock market, new cafés and coffeehouses; where a focused effort to restore war-damaged infrastructure is occurring alongside indulgent investments in new palaces and public art; where a people accustomed to free health care, education and other benefits of oil wealth have been adjusted to a time when wages have been devalued to almost nothing and it is sometimes impossible to find an aspirin in a store.

The bombing of Baghdad was among the more controversial aspects of the Gulf war, mixing military targets — such as the Defense Ministry and communications towers — with those of less obvious strategic value, such as the city's convention center and the municipal power grid.

Today, there is little evidence of the damage. Collapsed bridges have been rebuilt, the streets have been repaired, and the water and electricity systems have been patched together well enough for the city to function. Major government facilities have been reconstructed.



Baghdad is today a study in ambiguity, a place where gloomy economic circumstances coexist with a lively stock market and prayers at the opulent Golden Mosque, where an effort to restore war-damaged infrastructure goes on amid indulgent investments in new palaces and public art.

"Baghdad within two years had been rebuilt, after a pounding," said Philippe Heffner, head of the UNICEF mission in Iraq. "It was important to show that this city had the power to rehabilitate. They did it brilliantly."

Some may question the government's priorities, however. While begging children are inescapable, and middle-class Iraqis have been reduced to shining shoes and performing other jobs that were once the province of 2 million guest workers from Egypt and elsewhere, construction is under way on the latest of several enormous palaces built in Baghdad since the war.

Heavy equipment is also leveling land for the Saddam Mosque, advertised as the Islamic world's largest house of worship. In the spot where a concrete communications building was destroyed during the war, the Saddam Tower now dominates the Baghdad skyline, complete with a posh revolving restaurant on top and a park with children's rides at the base.

As he escorted visitors around the grounds, an attendant noted that the tower was 203 meters (665 feet) high and proudly pointed out the tiny sculptured heads of former President George Bush and other Gulf war coalition leaders scattered on the shoes of a statue of President Saddam Hussein.

The tower is emblematic of Baghdad today. At the top, the restaurant spins at a leisurely pace, the tables crisply set, the friendly staff standing at attention. But on a recent Friday night, only

one table was occupied.

From the observation deck, the city's main monuments — the vaulted, oval Tomb of the Unknown Soldier and the nearby Victory Sword, composed of four large blades slicing the sky and resting atop helmets taken from dead Iranian soldiers — are well-lit and clearly visible. Also clear are the large swaths of darkness in neighborhoods suffering power outages.

At the tower's base, the children's rides are a swirl of festive color, but the park is deserted.

**P**ERHAPS A BETTER symbol of contemporary Baghdad than Mr. Wahid's struggling bird is a cracked windshield. Despite the economic embargo, the city's cars and trucks and buses keep running, patched together with ingenuity and the few spare parts that people can find and afford. But few vehicles are without broken glass, dented bodies, smoking exhaust pipes or other problems too expensive to fix.

The city survives in much the same way. No one knows that better than Raad Gazi, director of the Doura power station, one of three large, oil-fired plants that supply Baghdad's electricity.

The war was a disaster for the city's power supply. As at the other stations, the Doura plant was blanketed with filaments, spewed from special U.S. missiles, that shorted out transformers and left Baghdad in darkness. The station's main building and one of its emissions stacks also were hit directly, Mr. Gazi said.

Within a few months, the plant was repaired enough to begin generating electricity again, he said, but it has never been able to run at more than half of its capacity. Even sustaining that is a challenge, given the lack of spare parts. Rather than replace faulty boiler tubes, for example, welders patch the holes, knowing that they will likely have to repeat the process in a month or two.

"It's too much," Mr. Gazi said. "You get crazy sometimes."

To make do with diminished capacity, Mr. Gazi said, he and other electricity managers in Baghdad rotate blackouts around the city, taking neighborhoods and businesses offline for anywhere from three to six hours daily, and sometimes longer.

In some respects, life in Baghdad is defined by the daily struggle between the abnormality imposed by sanctions and the urge to live as if they did not exist.

Drinking the tap water, for example, is a dubious proposition. Years of inadequate maintenance have left the city's water system riddled with leaks, UN officials say. Because of the power outages, and the subsequent loss of pressure, sewage can contaminate the drinking-water supply — a phenomenon reflected in the high rates of typhoid and gastrointestinal disease in the city.

"Before, we lived well," said Nahday Nahday, director of the Museum of Challenge, a collection of before-and-after scale models of buildings destroyed during the war and since rebuilt. "We'd go on picnics and visit friends. Now it's different. Picnics are very expensive."

Miss Nahday said she recently sold her car because it was too expensive to repair. She is frustrated with the daily electricity outages and worries about whether the water from her faucet will make her sick.

All the same, she said, "Baghdad still exists."

"I saw my country devastated completely," she added. "We are very strong now. And I don't speak just for myself. We continue to live."

Baghdad is not without bright spots, from the entrepreneur who recently opened a cappuccino bar and video rental store to the recent celebration of Baghdad's founding with fireworks and actors recounting the city's glory days.

At 22, Zayd Kadimi is among the city's boosters, though he is well aware of its shortcomings. Helping at his family's carpet shop and also working toward a college degree in business, he longs for the day when cell phones, the Internet and the rest of the communications revolution arrive in Baghdad, where even the local phone service can be spotty.

"Life is not easy for our age, so we have to learn how to work," Mr. Kadimi said. "We stopped in 1990, and if we can open it, we can put things right. We are not less than anybody in the world. We can be like London and Europe."

## Congo Rebels Skeptical of Truce Accord

Reuters

**KIGALI, Rwanda** — Rebels in the Democratic Republic of the Congo said Sunday that they were skeptical of a cease-fire deal worked out in their absence at a French-African summit meeting in Paris and that they would fight on.

Western diplomats in East Africa said that there were serious doubts on the prospects for a realistic cease-fire in the Congo rebellion, which began four months ago.

The rebels' political leader, Etienne Wamba dia Wamba, said he did not dismiss the Paris deal out of hand. But he said that his forces would fight on since their frontline military positions were under constant threat of attack.

"We have always been ready for negotiations, even talks leading to a cease-fire," said Mr. Wamba, leader of the Congolese Rally for Democracy.

"But deals that exclude us won't be effective because they won't be implemented," he said in an interview by satellite television, speaking from Bunia, in northeastern Congo.

Confusion surrounded the deal announced in Paris on Saturday by President Jacques Chirac and the UN secretary-general, Kofi Annan.

They described the accord as a breakthrough that would lead to the signing next month of a cease-fire to halt fighting that began Aug. 2, and they said they had the support of Zimbabwe, Rwanda, and Uganda, as well as of President Laurent Kabila of Congo.

A formal agreement would be signed in December, they said.

■ **"Everybody Has Moved a Bit"**

Craig R. Whitney of The New York Times reported earlier from Paris:

Mr. Chirac said that Mr. Annan had secured promises to end the fighting in meetings with eight African leaders held Saturday morning.

With Mr. Annan by his side as the summit ended in the Louvre Museum, Mr. Chirac said, "The hope is that the signing of a cease-fire should take place before the meeting of the Organization of African Unity in Ouagadougou on Dec. 17 and 18." Ouagadougou is the capital of Burkina Faso.

Mr. Chirac took care not to say that the fighting was over. "Everybody has moved a bit," he said, "and all we can do now is support the efforts by the secretary-general and the Organization of African Unity to end this situation, which is as absurd as it is lethal."

Mr. Annan met with President Kabila and leaders of neighboring states, including Angola, Zimbabwe, Uganda, and Rwanda. Mr. Chirac described the meetings as "honest but not hostile."

Angola and Zimbabwe have been backing Congo's leader, whose forces last year drove out a regime long backed by France that was headed by Mobutu Sese Seko.

Uganda and Rwanda, which helped Mr. Kabila win power in 1997, quarreled with him and are now backing rebels fighting his regime. French television showed Mr. Kabila glowering at President Yoweri Museveni of Uganda and at President Pasteur Bizimungu of Rwanda as Mr. Annan talked.

"They have committed themselves to accepting a cease-fire, and they have decided to accept an immediate end of hostilities," Mr. Annan said later.

Given Mr. Kabila's spotty record on putting his signature to agreements reached verbally, it was difficult to say what would actually happen on the ground in Africa.

"What accord? I have not signed any accord," Mr. Kabila said after the announcement by Mr. Chirac, who received him in his office in the Elisee Palace later.

"I think there is no reason to doubt his word," Mr. Chirac said before the meeting.

A year ago, Mr. Kabila wrangled out of an agreement that Bill Richardson, then the chief U.S. delegate to the United Nations, said he had negotiated to sign an international investigation into the massacre of tens of thousands of ethnic Hutu refugees during Mr. Kabila's victorious sweep across the country.

## Cuba Sees Surge in Crime As a Threat to Its System

By Serge F. Kovaleski  
Washington Post Service

**HAVANA** — This dilapidated Communist capital may be filled with derelict automobiles from the 1950s, and its residents dependent on ration tickets for food, but until recently, at least, they could boast of one advantage over their capitalist neighbor to the north: safe streets.

Lately, however, that claim has begun to ring hollow, as economic hardship and growing frustration among the legions of poorly paid Cubans have led to a surge in crime, alarming the government of President Fidel Castro and prompting urgent measures to preserve law and order.

Concern over the worsening crime situation has peaked in recent months with the robbery and slayings of a Cuban artisan, who was tortured and stabbed, and a young church secretary, who was raped and strangled in her home after taking her children to school. In another recent incident, two Italian tourists were shot and killed during a robbery.

Overall, break-ins and thefts are said by Cuban officials and residents to be on the rise, spurring the state insurance company to study the possibility of expanding coverage from car theft to general property-theft policies. An increase in livestock theft has been reported in rural areas.

The weekly newspaper Juventud Rebelde, in a special section titled "One of the Great New Challenges: Crime Versus the Revolution," said recently that crime was emerging as a threat to the country's socialist system. "Crime serves as the best fifth column for those who are betting on the failure of Cuba's political and economic model," the newspaper said.

The problem is particularly distressing to Cuba's Communist leaders because they have pointed so often to the

country's relatively low rates of violence and juvenile delinquency as one of the paramount virtues of its revolution.

Over the last several years, Mr. Castro has acknowledged the threat of crime and social disorder in this poor nation of 11 million, blaming it on the long-standing economic embargo maintained by the United States, as well as other machinations by the U.S. government.

It is difficult to get a clear picture of crime in Cuba because the government does not publish crime data regularly. Diplomats and Latin America specialists agree that the country is still one of the safest in the region. Anecdotal evidence, however, supports observations by many people here that the problem is growing worse. Government officials insist that the increase in crime is temporary.

The Cuban economy has bounced back in recent years, in part because of the creation of a dual monetary system that legalized use of the U.S. dollar. That system, however, has failed to improve living conditions for many Cubans, who do not have access to dollars and are increasingly resentful of those who do.

Some government officials are concerned about the potential effect of crime on tourism, Cuba's largest source of hard currency. Furthermore, Cubans are increasingly becoming the victims of robberies, rapes and homicides, heightening a sense of fear and compelling tighter security measures for homes and businesses.

Crime has become a focal point for Mr. Castro. At a recent session of neighborhood Communist Party-led organizations, Mr. Castro said that "the struggle against illegal activity is vital."

The police have been outfitted with new cruisers and have been given more modern communications equipment. Large numbers of officers and attack dogs have been assigned shifts at popular tourist spots, such as Old Havana.

## TRAVEL UPDATE

## French Strike Eases

**PARIS (AFP)** — A strike affecting rail services in France dragged on in many regions Sunday but most trains were running than on Saturday, the SNCF national railroad said.

Ticket inspectors, who are demanding increased staff levels, voted to continue their action at least until Monday morning.

But services returned to normal Sunday in the Ile-de-France area around Paris, where many trains do not use conductors, and Eurostar services between Paris and London and high-speed Thalys services between Paris and Brussels, Cologne and Amsterdam were normal.

Greek customs officers Monday began a five-day strike expected to cause congestion at the country's land borders by cars and trucks awaiting clearance to cross. (Reuters)

EgyptAir is starting service to Gaza. The Egyptian national airline announced that the first of the twice-weekly flights from Cairo to the newly opened airport would take off Dec. 11. (AFP)

## This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

**MONDAY:** Albania, Barbados, Liberia, Philippines, Yemen, Yugoslavia.

**TUESDAY:** Central African Republic, Chad, Macau, Portugal, Romania, Turkmenistan, Yugoslavia.

**WEDNESDAY:** Kyrgyzstan, United Arab Emirates.

**THURSDAY:** Sri Lanka, United Arab Emirates.

**FRIDAY:** Bahrain, Bangladesh, Egypt, Ghana, Israel, Oman, Saudi Arabia.

**SUNDAY:** Finland.

Sources: J.P. Morgan, Bloomberg, Reuters.

## Theodore Newhouse, 95, Dies; Newspaper Chain Co-Founder

New York Times Service

**NEW YORK** — Theodore Newhouse, 95, who began a lifelong career in publishing as a manager of a family-owned newspaper, The Long Island Press, and helped his brothers assemble one of the nation's biggest communications conglomerates, died Saturday at the Hebrew Home for the Aged in New York after a long illness.

Mr. Newhouse, one of eight children of impoverished immigrants, was the last of the founding brothers who turned from hawking newspapers on the streets to buying newspaper companies.

As associate publisher of Newhouse newspapers, he had kept up an active involvement in the family business until his health began to fail about 12 years ago, said David Starr, the senior editor of Newhouse newspapers.

Mr. Newhouse's eldest brother, Samuel, got the family into the publishing business when he bought The Staten Island Advance, a financially troubled paper, in 1922. Mr. Newhouse, then 19, was recruited to help out as was another brother, Norman.

The Newhouse holdings now include 26 newspapers; Conde Nast Publications, which publishes The New Yorker, Vogue and Vanity Fair magazines; the Sunday newspaper supplement Parade, and interests in cable television programming and cable systems.

**Jonathan Kwitny, 57, Author and Investigative Journalist**

**NEW YORK** — Jonathan Kwitny, 57, a journalist and author whose subjects varied from Mafia forays into boardrooms to papal biography, died Nov. 26 of stomach cancer at Memorial Sloan-Kettering Cancer Center in New York.

Mr. Kwitny's latest book was "Man of the Century: The Life and Times of Pope John Paul II" (Holt, 1997).

A decade ago, Mr. Kwitny and a producer, Tom Naughton, created "The Kwitny Report" for the Public Broadcasting System. Mr. Kwitny wrote and narrated the weekly, half-hour national program, which won a George Polk Award for investigative reporting in 1990.

## WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Europe				Asia			
City	High	Low	Wind	City	High	Low	Wind
Algeria	64	48	SE	Algeria	64	48	SE
Amman	64	48	SE	Amman	64	48	SE
Antwerp	54	44	SE	Antwerp	54	44	SE
Athens	64	48	SE	Athens	64	48	SE
Bahia	64	48	SE	Bahia	64	48	SE
Bangkok	84	68	SE	Bangkok	84	68	SE
Bombay	84	68	SE	Bombay	84	68	SE
Buenos Aires	64	48	SE	Buenos Aires	64	48	SE
Calcutta	84	68	SE	Calcutta	84	68	SE
Cairo	64	48	SE	Cairo	64	48	SE
Cardiff	54	44	SE	Cardiff	54	44	SE
Chennai	84	68	SE	Chennai	84	68	SE
Cebu	84	68	SE	Cebu	84	68	SE
Dakar	64	48	SE	Dakar	64	48	SE
Dhaka	84	68	SE	Dhaka	84	68	SE
Dublin	54	44	SE	Dublin	54	44	SE
Guangzhou	84	68	SE	Guangzhou	84	68	SE
Hanoi	84	68	SE	Hanoi	84	68	SE
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Jakarta	84	68	SE	Jakarta	84	68	SE
Jeddah	84	68	SE	Jeddah	84	68	SE
Kuala Lumpur	84	68	SE	Kuala Lumpur	84	68	SE
London	54	44	SE	London	54	44	SE
Los Angeles	64	48	SE	Los Angeles	64	48	SE
Manila	84	68	SE	Manila	84	68	SE
Moscow	54	44	SE	Moscow	54	44	SE
Mumbai	84	68	SE	Mumbai	84	68	SE
Nairobi	64	48	SE	Nairobi	64	48	SE
Paris	54	44	SE	Paris	54	44	SE
Rangoon	84	68	SE	Rangoon	84	68	SE
Riyadh	84	68	SE	Riyadh	84	68	SE
Singapore	84	68	SE	Singapore	84	68	SE
Sofia	54	44	SE	Sofia	54	44	SE
Taipei	84	68	SE	Taipei	84	68	SE
Tel Aviv	84	68	SE	Tel Aviv	84	68	SE
Tokyo	84	68	SE	Tokyo	84	68	SE
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THE AMERICAS

# Republicans Try to Bolster Case Against Clinton

By Eric Schmitt  
New York Times Service

WASHINGTON — As the House impeachment inquiry enters its crucial final weeks, Republicans and Democrats are jockeying for an advantage that could influence President Bill Clinton's fate.

What little hope Republicans on the House Judiciary Committee had that Mr. Clinton would give any ground vanished Friday, when in response to 81 questions from the committee, the president once again insisted, this time in terse, formal written replies, that he did not lie under oath, tamper with witnesses or obstruct justice to conceal his affair with Monica Lewinsky.

Mr. Clinton must state clearly that he is before the committee can consider any alternative to impeachment, a Republican member of the panel said Sunday. The Associated Press reported.

"This is a political move without an admission on the president's part is a political cop-out," Representative Lindsey Graham, Republican of South Carolina, said on NBC.

Beginning Monday, committee Republicans aim to shore up their case against Mr. Clinton by taking several steps. Committee lawyers will take sworn statements from three witnesses about whether they tried to influence Kathleen Willey, a former White House volunteer who has said the president made an unwelcome advance to her just outside the Oval Office in 1993.

On Tuesday, the committee will hold a public hearing on the consequences of lying under oath. Nearly a dozen federal judges, retired military officers, law professors and convicted perjurers are scheduled to testify.

The committee's senior staff is drawing up three articles of impeachment against the president. The possible counts are perjury, obstruction of justice and witness tampering, and abuse of power.

Republican committee aides say a perjury count has the best shot at passing the House, and even that would be on a cliffhanger vote.

A senior Republican committee aide said the panel would most likely vote to send each count to the House floor separately, rather than wrap the articles into one resolution. This was done in 1974, when three articles of impeachment against President Richard Nixon were reported out of committee on three separate days.

After the hearing Tuesday, Republicans may also subpoena one or two more witnesses, or additional documents, in an effort to show a wider pattern of abuse beyond the Lewinsky case. The committee may also vote to release evidence under seal, including a videotape of the deposition of Mr. Clinton.

gave Jan. 17 in the sexual misconduct lawsuit by Paula Jones.

Transcripts of the most damaging portions of the deposition have already been made public. Republican aides acknowledge, but some committee officials were urging the release of the tape itself. One reason is to rebut Mr. Clinton's assertion that he could not be held responsible for the representation that his lawyer, Robert Bennett, made about Ms. Lewinsky's affidavit, because he was not paying close attention.

All this maneuvering would set the stage for the inquiry's final two climactic weeks. In the week of Dec. 7, Representative Henry Hyde of Illinois, the Judiciary Committee chairman, has invited the president's lawyer, David Kendall, to present his case, followed later in the week by presentations from David Schippers, the Republicans' counsel, and his Democratic counter-

part, Abbe Lowell. By then, draft articles of impeachment would be circulating among committee members.

The 21 Republicans and 16 Democrats would meet over two to three days to debate and vote on each article, as well as on amendments. Democrats are expected to offer a motion to censure the president for misconduct, rather than impeach him, if the committee stays on schedule, one or more articles of impeachment would go to the House floor for a vote in the week of Dec. 14.

As committee Republicans try to build support for impeachment, the White House and its congressional allies are trying to mount support for something less than impeachment, such as a resolution of censure.

"There are some Democrats who are against impeachment who'd like to go on the record as disapproving the president's conduct," said Representative

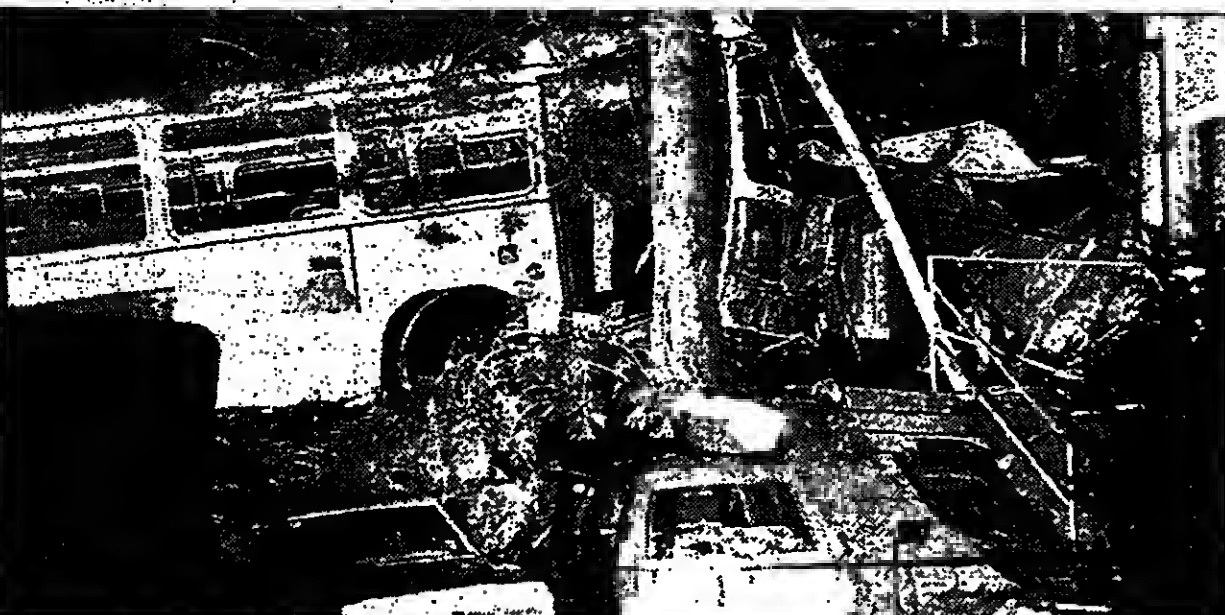
Martin Frost of Texas, the newly chosen third-ranking House Democrat.

## Republican Doubts Success

A Republican who has come out against impeachment, Representative Peter King of New York, predicted Sunday on NBC's "Meet the Press" that a vote to impeach would fall short in the House. The Associated Press reported.

The House majority whip, Tom DeLay, Republican of Texas, on CNN's "Late Edition," said, "The Congress and the House have no other option but to vote impeachment or not."

A Senate Republican, Arlen Specter of Pennsylvania, said Mr. Clinton should personally appear to defend himself. "I think he ought to have to answer questions and be subject to examination because the answers that he gave were evasive," he said on "Fox News Sunday." "Let's bring the president in."



A bus lying near a Seattle apartment building after it ran off a bridge, killing three, when the driver was shot.

## Away From Politics

• A city bus carrying 31 people plunged off a bridge in Seattle and plowed through the outer edge of an apartment roof after the driver was shot by a passenger. The driver, a person suspected of shooting the driver, and a passenger were killed on Friday, the police said. Twenty-nine others were injured. (NYT)

• Police using boats, horses, dogs and helicopters kept up a search over the weekend for a death row inmate who escaped amid a hail of gunfire from prison guards' offices. The authorities said the inmate was shot dead. (NYT)

believed that the convict, Martin Gurne, was still on the 11,672-acre grounds of the Ellis I prison, near Huntsville, Texas. Investigators were trying to determine how he made his break Friday with six other inmates on death row, who were quickly recaptured. (AP)

• Drug companies will be required to conduct much wider testing of drugs on children under new rules issued by the federal government. The testing, advocated by President Bill Clinton, will allow companies to write labels that

provide detailed information to doctors and parents about the proper use of medications by children. (NYT)

• The Federal Aviation Administration has issued an emergency order requiring eight cargo airlines to change the way cargo doors are attached to old Boeing 727s that had been converted to freighter use. The agency ordered the changes in 1991 after discovering that the 727 aircraft skin could develop hidden cracks at the point of attachment, but it asserted that airlines had ignored the request. (NYT)

# For Bill Bradley, Time To Scratch a 4-Year Itch

## Ex-Senator Weighing a Presidential Bid

By Jennifer Preston  
New York Times Service

MONTECLAIR, New Jersey — Although Bill Bradley has said he will decide in December whether to run for president of the United States, several of his former longtime aides and close advisers say they believe that he has already made up his mind to seek the Democratic Party's nomination.

The associates said that they had watched Mr. Bradley — who served three terms as a U.S. senator from New Jersey before retiring in 1996 — wrestle with this decision in 1988 and 1992, and that all signs point this time to a Bradley-for-president campaign in 2000.

"He looks more like he is going to do it than I have ever seen him," said Marcia Aronoff, who was Mr. Bradley's chief of staff for 13 years. "I think his feeling is that this is a time when he can make a major contribution. And if he does it, I don't think he is doing it quixotically. He would be running to win."

The Democratic leader of the New Jersey Senate, Richard Codey, said he also believed that Mr. Bradley had decided to run.

"If I were a betting man, I would bet that he goes," said Mr. Codey, who has already begun lining up Democratic county leaders in New Jersey behind a Bradley presidential campaign.

Although Mr. Bradley, 55, has not raised any money to mount a campaign, some of his advisers say he has been quietly talking to potential donors for support that he can begin tapping in January. He has also asked some leading Democrats in New Jersey and around the country to consider withholding support and endorsements until he makes his decision.

In an interview, Mr. Bradley said he was not plotting his next political move based on who is running and who is not. He said he was not paying attention to the political analysis who say that Vice President Al Gore has the Democratic nomination already locked up because of the power of incumbency, the outcome of the midterm elections and the lack of an independent counsel investigation into his role in campaign fund-raising.

Mr. Bradley said he was again relying on his inner voice to guide his decision. "In 1988, I looked at myself in the



Aides say Mr. Bradley will make a run for the presidency in 2000.

mirror, and I said, 'I am not ready.' " he said. "In 1992, I said, 'You are ready, but don't do it.' I honored that inner voice and didn't do it. And I'm back with this question again."

"I am not on the phone calling 50 friends, asking them what I should do," he continued. "Basically, there are only two threshold questions. One is where I think that whatever experience or ability or talents that I have can be used to improve the quality of life for millions of Americans, at this particular moment in time. The second question is whether I want to put my wife and family through what one seems to have to go through."

Some of his advisers say that this is perhaps his last shot. After publicly flirting with the idea for a decade now, he risks being placed next to former Governor Mario Cuomo of New York in the pantheon of modern-day Hamlets. They also point out that he has the support of his family and that his wife, Ernestine, is in good health after battling breast cancer six years ago.

It has been two years since Mr. Bradley — who is a former Rhodes Scholar, a 1964 Olympic gold medalist in basketball, a member of the New York Knicks teams that won the National Basketball Association championship in 1970 and 1973 and now a best-selling author with "Values of the Game" — left the U.S. Senate, saying he was weary of the partisan bickering. He left open the possibility of a presidential bid in 2000 and dismissed those who said that giving up his Senate seat would make running for the presidency more difficult, if not impossible.

"I think sometimes giving up power is a form of power," he said at the time. "To some people, that is self-evident. Other people have to work at that thought a little bit."

## POLITICAL

### A Hard Race for Soft Money

WASHINGTON — Senator Bob Kerrey is engaged in the first test of the 2000 presidential campaign: proving his ability to raise money. Searching for creative ways to get donations much larger than those allowed by the strict limits of federal election laws, Mr. Kerrey, Democrat of Nebraska, and six other presidential aspirants have turned to so-called soft money.

To raise these large unrestricted contributions from wealthy individuals, corporations and labor unions, they are exploiting the less-restrictive political donation regulations at the state level, establishing nonprofit organizations and setting up political action committees.

Soft money is bleeding into the presidential campaign earlier than ever before and spreading among more potential candidates. And these controversial big donations are being solicited directly by the potential candidates for their own political committees.

The Federal Election Campaign Act of 1974 limits donations to candidates in presidential primaries to \$1,000. But there are many legal ways for aspiring candidates to skirt that limit.

Without soft money, it is unlikely that Mr. Kerrey or other presidential hopefuls could raise \$50,000 a day between now and the selection of the first delegates to early 2000. This amount is necessary to reach the minimum of \$22 million that several campaign experts estimate candidates would need to be competitive. (NYT)

### Weighing a Perjury Question

WASHINGTON — In his three years serving President Bill Clinton as staff trouble shooter and campaign financing strategist, Harold Ickes became enough of a lightning rod that he had to undergo 26 sessions of questioning under oath by investigators of the Republican-controlled Congress and the independent counsel, Kenneth Starr.

Having weathered thousands of questions and amassed hundreds of thousands of dollars in legal bills, Mr. Ickes, the former White House deputy chief of staff, finds fate and fortune hanging on one single, brief response he offered to a question in one of his 26 bouts of testimony.

"What did the administration do regarding the Diamond Walnut strike?" he was asked on Sept. 22, 1997, by the Senate Governmental Affairs Committee.

"Nothing that I know of," Mr. Ickes responded about a long-running Teamsters strike at Diamond Walnut Growers, a California agricultural cooperative.

With that scrap of colloquy, the stage has been set for a decision Monday by Attorney General Janet Reno on whether to seek the appointment of an independent counsel to look into whether Mr. Ickes committed perjury.

In October, a House panel investigating the Teamsters union sought to build the case against Mr. Ickes by disclosing White House documents detailing his efforts to resolve the Diamond dispute in 1995. Mr. Ickes reached out to Mickey Kantor, then the U.S. trade representative, to persuade him to intervene in behalf of the striking Teamsters, the documents disclosed.

Mr. Kantor told Congress that he telephoned Diamond Walnut for nothing more than a "benign" inquiry about the prospects for a settlement. A company official testified that the phone call was received as a significant part of the Teamster effort "to bring us to our knees." (NYT)

### Quote/Unquote

C. W. Bill Young, 68, Republican of Florida, who is the new chairman of the House Appropriations Committee: "I want for many, many years wondering if I would ever get to serve in the majority, and probably had ever get myself that I wouldn't. Now just a few years later I'm chairman of the Appropriations Committee and that is quite a change. I have to tell you." (NYT)

# Girls Seek Beauty Under the Knife

## U.S. Teens' Plastic Surgery Rises

By Jane Gross  
New York Times Service

NEW YORK — Standing before the mirror, the girl fights back tears. Her thighs are too big, her breasts too small and her nose bumpy. Or so this 16-year-old thinks, comparing herself with movie star babes and lingerie models.

To make matters worse, boys never call, and getting undressed for gym is a mortification. But such problems have quick fixes, the magazine ads promise.

"If I can look better, why not?" the girl asked during a recent consultation with a plastic surgeon. Her parents are living proof, she argued, her mother rejuvenated by a face-lift and her father's brow smoothed of its furrows.

The doctor was not persuaded. He said later that he had stalled by scheduling another appointment, and that he hoped the Long Island family would not look elsewhere in the meantime.

The girl's 40-something parents are part of a tide of affluent baby boomers who are being tucked, peeled and augmented as never before.

But it is the teenage girls now flocking to the suites of plastic surgeons from Park Avenue to Beverly Hills who pose an ethical problem for doctors who must decide whether to operate on patients who are too young to vote, but old enough to feel social pressures to be physically perfect.

"We are capable of doing awful things to these kids," said Dr. Mark Sultan, chief of plastic surgery at Beth Israel Medical Center in New York and one of two dozen doctors who said they were seeing more teenagers than ever before who are eager to change their looks and willing to go through often painful surgery to do so.

The surgeon's task, Dr. Sultan and others said, is to weed out youngsters with true deformities from those responding to media messages and peer or parental pressure. "We have to decide what is real, what is imagined and what is exaggerated," he said.

At least 14,000 adolescents in the United States had cosmetic surgery in 1996, a slight increase from 1992, when the boom began, according to data from the American Society of Plastic and Reconstructive Surgeons. In all age groups, 700,000 procedures were done last year, up 70 percent in four years.

But professionals agree that those numbers are a vast understatement, perhaps by as much as half, since they do not include the many procedures now done by dermatologists, ophthalmologists, ear, nose and throat specialists, dentists and others.

And the makeovers of choice are changing for teenagers. A generation ago, it was not unusual for youngsters to have their noses straightened or ears pinned back, procedures that doctors say are appropriate for those with ungainly features.

But these days, more controversial procedures, like breast augmentation, liposuction and tummy tucks, are gaining popularity in this impressionable age group. In the New York area, these procedures, among two dozen available, range in cost from \$2,000 for liposuction to \$5,000 for a tummy tuck.

In 1992, there were 5,319 nose jobs among U.S. teenagers, 3,024 ear operations, 978 breast implants, 472 liposuctions and no tummy tucks.

Four years later, nose jobs were down to 4,313 and ear pinning to 2,470. But breast augmentations were up to 1,172, liposuctions increased to 788 and tummy tucks to 130. Many more adolescents seeking these newer procedures were turned away by doctors who say they rarely perform them in anyone under 18.

Stalling is a popular tactic among doctors, who count on the fact that teenagers are by definition mercurial.

## Teenage girls flocking to the suites of plastic surgeons pose an ethical problem for doctors.

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## ASIA/PACIFIC

# Indonesia Opposition Throng the Capital

**JAKARTA** — Tens of thousands of supporters of the Muslim-based United Development Party crammed into the center of Jakarta on Sunday for the start of a four-day national convention that will elect a new chairman to lead the opposition group into multiparty elections next year.

Buses and trucks packed with supporters, wearing green T-shirts and bandannas and waving green party flags, flocked into a Jakarta stadium for the start of the convention. Some estimates put the crowd at more than 100,000, the biggest rally in the capital since President B.J. Habibie was inaugurated six months ago.

The rally ended in midafternoon with no reports of violence, in contrast with the recent unrest that has plagued the capital and several other cities around the country.

"We call on President Habibie to carry out the general election in time and not to repeat the mistakes by two previous presidents," said Ismail Hasan Metareum, the party chairman, in his opening speech.

One of only three political parties allowed during the autocratic rule of former President Suharto, the party ranks second in Parliament in terms of its number of seats and well behind the ruling Golkar party.

In a clear signal United Development was emphasizing its Islamic roots, Hasan Metareum said the convention would see the party restore to its flag a picture of the Kaaba, Islam's holiest shrine.

"The Kaaba will unite the idea of our friends," said Mr. Metareum, referring to the Muslim groups that formed the party in 1973. "We see it a symbol of unity."

In 1982, the government ordered the party to change the symbol to a star in a bid to loosen the party's links with Islam.

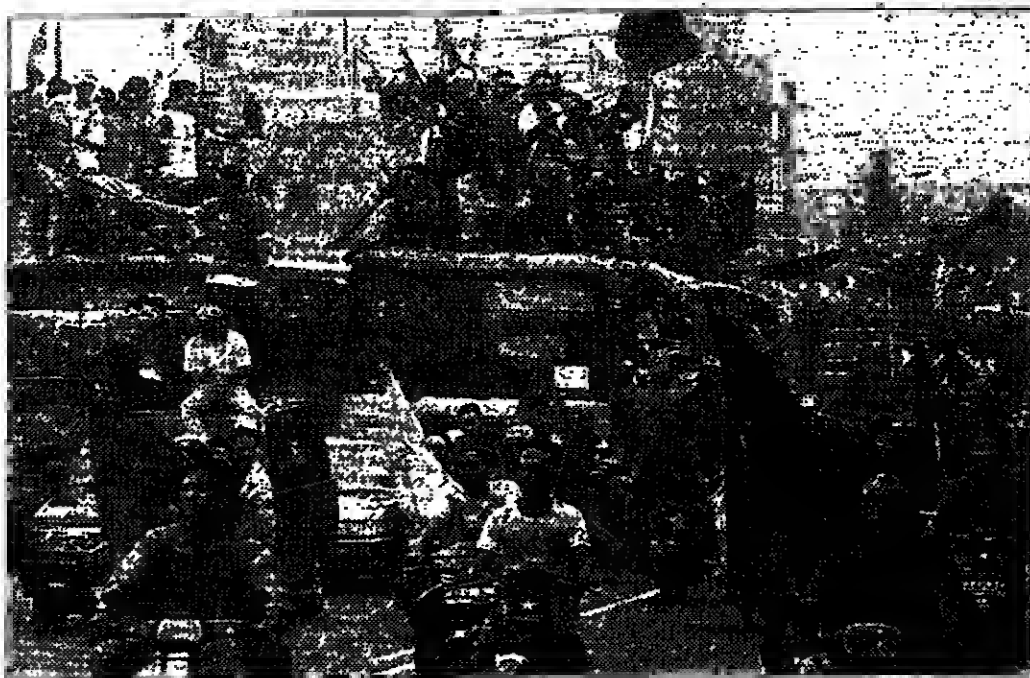
"Secularists are afraid to see the United Development Party become big," Mr. Metareum said, "because this party is able to promote itself as the defender and guardian" of Muslim teachings.

Mr. Habibie had earlier planned to open the congress but canceled his appearance. Mr. Metareum said afterward that Mr. Habibie decided not to attend in order "to make the party more independent."

In Indonesia it has been a tradition for the president to be invited to open any congress of a political or mass organization.

Mr. Metareum, addressing the crowd, urged Mr. Habibie to stick to his promise to hold elections next June as planned.

"If Habibie is able to create a democratic foundation for the government and organize a democratic general election, his short government will be remembered and respected," he said. "The next general election should be free from filthy practices." (AP, Reuters)



United Development Party supporters flocking Sunday into Jakarta for the convention.

## INDIA: In State Elections, Hindu Nationalists Suffer a Humiliating Defeat

Continued from Page 1

the weekend for its failure with voters, none has yet withdrawn from the coalition, which has a narrow majority in Parliament. But one political commentator quoted a saying by Chanakya, the Indian political sage from ancient times, to question how long the party's allies will remain loyal: When a tree falls, the birds won't sit on it.

Still, the arithmetic of the Hindu nationalists' hold on national power is unchanged for now. Prime Minister Atal Bihari Vajpayee admitted Saturday that he was taken back by the depth of his party's loss, but said the coalition would prove it still has a majority when Parliament convenes for its winter session Monday.

He has also begun owning up to his mistakes, a party-wide process that was in full swing by Sunday. At a meeting of state officials on Friday, Mr. Vajpayee acknowledged that his government should have moved more quickly to import onions and to remove all duties on them.

The BJP had an image as a cohesive, disciplined, well-led party — and all that fell away," said Pran Chopra, a political analyst at the Center for Policy Research in New Delhi. "Prices became the crystallized image of the incompetence of the BJP government."

Jubilant Congress Party workers celebrated

in the streets Saturday night, but the party's president, Sonia Gandhi, had a more sober reaction to victory on Sunday morning. The results were a gain, she told a television reporter, but she was still in no rush to topple the Hindu nationalist-led coalition.

Congress Party leaders and political analysts said her caution was wise. Congress has even fewer votes in Parliament than the Hindu Nationalists — only 141 of the 272 it would need to form a majority. It would have to join with a number of other political parties who are unified mainly by their opposition to the Bharatiya Janata Party and what they see as its attempt to impose a narrow vision of Hinduism on the rich religious diversity of India.

The Communists, who have ruled the state of West Bengal for two decades, are eager to join with Congress in what they call a secular front, but the communists and the Congress Party have long been divided on economic issues. The Congress, like the Hindu nationalist-led government, favors a gradual opening of markets to foreign investment, while the Communists favor more protectionist policies.

Murli Deora, a Congress Party leader from Bombay who is chairman of the Finance Committee in Parliament, said the Congress, just like the Bharatiya Janata Party, would find it almost

impossible to govern effectively and difficult to survive politically if it assumed power now.

He and others said the party should wait on the assumption that the Hindu nationalists' coalition will fall apart, then press for new elections that might return a strengthened Congress Party to rule with a clearer public mandate.

"There's no way to form a majority in the present Parliament without facing the same problems as the BJP," said Yogendra Yadav, a political scientist with the Center for the Study of Developing Societies. "It would be foolish of the Congress to form a government now."

It is not yet clear just how much this election was a rejection of the Hindu nationalists or a victory for Congress, the party whose founders led India to independence in 1947.

Mrs. Gandhi is the unlikely inheritor of the Congress mantle. An Italian-born Catholic in majority-Hindu India, she is the surviving member of the Nehru-Gandhi dynasty. Her husband, Rajiv, was assassinated in 1991 while campaigning to win back the post of prime minister.

Mrs. Gandhi emerged this year as an aggressive, confident campaigner. Political commentators here say she has asserted control over the party hierarchy, led Congress to its biggest victory since 1985 and may yet become prime minister in her own right.

## BRIEFLY

### Taipei Assails Threat by Jiang

**TAIPEI** — Taiwan said Sunday that the threat by President Jiang Zemin of China to use force against the island indicated the Communist mainland still believed in violence to resolve issues.

The statements by Mr. Jiang "merely reflected that the Chinese Communists still blindly believe in violence, always thinking in a hegemonic way to resolve cross-strait issues," Chang King-yuh, chairman of the cabinet's Mainland Affairs Council, told reporters.

On Saturday, Mr. Jiang told a Tokyo news conference during his visit to Japan that Beijing would not renounce the use of force against Taiwan if the island kept up a separatist drive.

Mr. Chang said Taipei's efforts to improve mainland ties, including allowing its people to visit relatives in China, and the removal of the state-of-emergency decree against Beijing, showed that Taipei hoped to coexist peacefully with its giant neighbor. (Reuters)

### Korea Visit by Akihito? Not Yet

**TOKYO** — South Korea has officially invited Emperor Akihito of Japan to visit in 2000, but local media reported Sunday that Japanese officials doubt the two nations will be ready for such a visit that soon.

The invitation was made Saturday by Prime Minister Kim Jong Pil at a ministerial meeting in Kagoshima in southern Japan.

But the time is not yet right for the emperor to visit South Korea, where Japan's military past is still a source of tension, Kyodo news agency quoted Imperial Household Agency officials as saying.

"A friendly relationship between Japan and the visiting country is the precondition for the emperor's visit. But the way has yet to be paved in some aspects," Kyodo quoted an agency official as saying. (Reuters)

### Australia to Check East Timor

**MELBOURNE** — Defense Minister John Moore of Australia said Sunday that his country had been given approval to send a military attaché to East Timor to monitor Indonesian troop movements.

Mr. Moore said in a television interview that he had discussed the East Timor conflict with President B.J. Habibie of Indonesia during a visit Saturday.

"We did have a frank discussion about East Timor and other related items. We pointed out the ongoing concerns of Australia as relates to human rights in those areas and the access to East Timor by delegated attaches which has been granted," Mr. Moore said.

The United States has expressed concern about violence in East Timor, citing "credible reports" of civilian deaths during a recent military sweep. (Reuters)

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## INTERNATIONAL

## Flap Over Kurd Underscores Turkish-European Gulf

By Stephen Kinzer  
New York Times Service

ISTANBUL — The Turkish novelist Orhan Pamuk remembers that when he was growing up in the 1950s and '60s, there was one sure way to end any argument about how to do something: "You just had to say, 'This is how they do it in Europe' and that was final. If things were done a certain way in Europe, then by definition that was the right way to do it."

For generations, even for centuries, Turks have debated how to relate to Europe and, by extension, the Western world. It was fundamental for Mustafa Kemal Ataturk, who founded the Turkish Republic in 1923, that Turkey was a European nation and should strive to be ever more so. But the marriage of Turkish and European values has not proved easy to maintain, and in recent weeks it has been set back again, this time by a dispute over the fugitive Kurdish rebel leader Abdullah Ocalan.

Most Turks consider Mr. Ocalan a paragon of evil who combines the most despicable qualities of Hitler and Caligula. After he was arrested in Italy on Nov. 12, the prospect of Mr. Ocalan being brought home in chains sent Turks into paroxysms of ecstasy.

But the Italians refused to extradite him. They said they could not because their constitution forbids extraditing anyone to countries that practice the death penalty. Several Italian politicians also noted that European accords forbid sending criminal suspects to places where they might face torture. Armando Cossutta, whose Party of Italian Communists is part of the governing coalition, went so far as to call Mr. Ocalan "the leader of an oppressed people."

Turks were furious, saying Italy was embracing terrorism and threatening to punish it with economic boycotts. Their outrage may have been justified, but to Europeans it seemed strident and immature.

"Any undue pressure on the Italian government, including unilateral threats, is inappropriate and must be avoided," said Foreign Minister Wolfgang Schuessel of Austria.

Many Europeans sympathize with the Kurds as a stateless people victimized by a succession of empires, kingdoms and nations. Some have allowed this sympathy to lead them to support Mr. Ocalan's Kurdish Workers Party. They see it as a liberation movement, even in light of a report issued this month by Human Rights Watch that enumerated 25 massacres the guerrilla group has perpetrated since 1992.

This romanticism fits not only with Europe's image of the Kurds as tragic heroes, but also with its image of the Turks, who are seen by some as brutes and whose less-than-sterling human rights record tends to confirm the stereotype.

Prime Minister Massimo D'Alema of Italy was probably sincere last week when he urged Turkey to "find a solution to this long and bloody conflict by following the examples of Northern Ireland and the Basque country." So, no doubt, was the chairman of the foreign affairs committee in the German Parliament, Hans-Ulrich Klose, who called the capture of Mr. Ocalan "a good opportunity for solving the country's problems" with the Kurdish guerrillas and "making the necessary reforms in Turkey."

"The Turkish government's reaction is overblown and takes Turkey very far from its target, Europe," Mr. Klose asserted.

But for an array of historical and psychological reasons, Turks abhor any suggestion that they should begin a dialogue with Kurdish nationalists. Anyone who makes such a suggestion is considered abysmally ignorant or worse. Many Turks now see Europe in that category.

It has been almost exactly a year since the European Union slammed its door in Turkey's face, by pointedly excluding Ankara from a list of 11 possible candidates for membership. In the interim, several European leaders have recognized that they may have acted too harshly.

In November the European Union issued a new report that took a much more encouraging tone. "Turkey is eligible to become a candidate," Hans van den Broek, the EU external affairs commissioner, said as he issued the report. The EU representative in Ankara, Karen Fogg, called it "a very positive indication," and Foreign Minister Ismail Cem of Turkey said, "The EU Commission's definition of Turkey as the 12th candidate for full membership has opened the way for improvement in bilateral relations."

The election of a left-leaning government in Germany last month seemed to give another lift to Turkey's European ambitions.

Chancellor Gerhard Schröder pledged after taking office that he would support measures "bringing Turkey still closer to the European Union."

But the Ocalan affair and Turkey's reaction to it have confirmed European stereotypes about Turkey as a country that has not yet learned the rules of civilized discourse. Even some Turkish leaders seemed to acknowledge that Ankara's language might have become too strident. President Suleyman Demirel urged Turks to "be well contained and not undermine the country's case."



A protester at a march in Berlin that called on Italy to extradite the Kurdish rebel leader Abdullah Ocalan. Her poster depicts a casualty in the guerrilla war.

Nonetheless, in the wake of the collapse Wednesday of the government of Prime Minister Mesut Yilmaz, politicians will probably crank up their patriotic denunciations of Europe with an eye to the forthcoming election campaign.

Many Turks, including the entire political elite, maintain that Mr. Ocalan is such a hideous war criminal that there can be no debate over the justice of Turkey's demand for his extradition. But in Europe, everything is supposed to be open to debate. The contrast suggests to some European leaders

that Turkey is still in the grip of a distinctly un-European tradition.

"We had just reached the point of telling Turkey that its application to join the EU would be considered on the same basis as every other application, and then this happens," a European ambassador lamented. "Now there will be a period of silence, at best."

"Turkey is not making it easy for us. They're not helping their own image."

## Rebels Say They Shot Down Turkish Helicopter

Kurdish guerrillas said over the weekend that they had shot down a Turkish army helicopter and killed more than a dozen troops, Reuters reported from Ankara.

"The Sikorsky helicopter was shot down by National Liberation Army of Kurdistan forces as it tried to deploy troops on the Kartal peak in the Cukurca area," the Kurdish DEM news agency said, referring to the military wing of the Kurdish Workers Party.

The agency quoted the separatist party as saying that 17 soldiers had been killed.

Turkey's emergency-rule governor's office in Diyarbakir said earlier that 15 soldiers had died and one was injured when the helicopter crashed Friday near the Iraqi border while returning from an operation against the guerrillas.

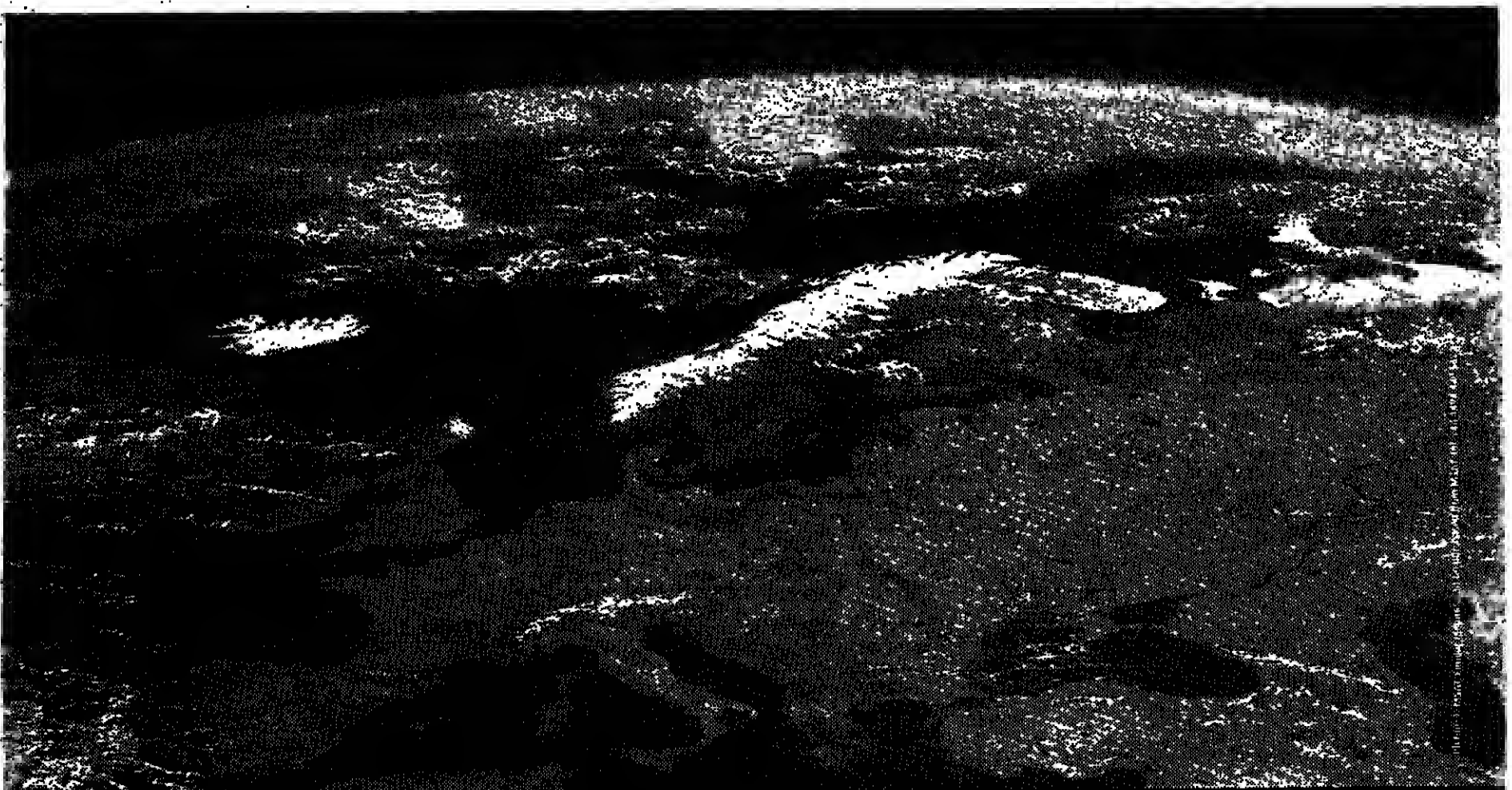
"Investigations into whether it crashed due to a technical fault or was brought down are continuing," a security official said. Workers Party rebels used Russian-made missiles to shoot down two Turkish military helicopters in Iraq last year.

The crash comes as Mr. Ocalan, who is under house arrest in Rome, threatened an escalation of the 14-year insurgency in southeastern Turkey that has killed 29,000 people.

"If we were to show our real armed power, the results would be much worse," he told the Kurdish satellite television channel Med TV by telephone on Friday.



Abdullah Ocalan, under house arrest in Rome, has threatened to escalate guerrilla activity against Turkey.



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## BRIEFLY

## Annan Turns to Western Sahara

ALGIERS — The UN secretary-general, Kofi Annan, will try to focus the international spotlight on the decades-old Western Sahara dispute as he resumes a tour of North Africa that was interrupted by the recent crisis with Iraq.

But UN officials said Mr. Annan, who was to arrive in Algiers on Sunday evening, was aware of the difficulties as he tries to get Morocco and the Algerian-backed Polisario Front to agree on a peace plan to break a six-year deadlock in talks on the future of the phosphate-rich former Spanish colony.

Conflict over the 266,000-square-kilometer (103,000-square-mile) territory has strained relations between Morocco and Algeria. UN peacekeepers have been stationed there since 1991.

A referendum was originally scheduled the following year to decide whether Western Sahara should be incorporated into Morocco, which controls most of it, or become independent, as sought by the Polisario Front. But it has repeatedly been delayed. (Reuters)

## Violent Weekend in Colombia

BOGOTA — Marxist guerrillas and extreme-right death squads killed at least 14 people in two separate incidents over the weekend as political violence surged despite the prospect of imminent peace talks.

Six policemen died and four were severely wounded when they wandered into a rebel ambush Saturday on the outskirts of Puerto Asis, a jungle town in southern Putumayo Province, local authorities said.

Puerto Asis is a stronghold of the Revolutionary Armed Forces of Colombia, known by the acronym FARC, the oldest and largest rebel force in the hemisphere.

In a separate incident, an estimated 200 rightist paramilitary gunmen swept through a village in northern Bolivar Province and killed at least eight peasants, according to national radio citing unnamed local government sources. (Reuters)

## Four Deadly Attacks in Algeria

ALGIERS — Four attacks in the western mountains of Algeria left seven people dead, newspapers and officials said Sunday, while security forces sought to prevent a new wave of violence during the holy month of Ramadan.

There was no immediate claim of responsibility for the attacks, but suspicion fell on Muslim militants waging a nearly 7-year-old insurgency against the military-backed government. (AP)

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## EUROPE

## Debate Shows Issue of Holocaust Guilt Still Haunts Germany

By Roger Cohen  
New York Times Service

BERLIN — Germany is whole and free. The Allied and Russian troops have long since left Berlin. Next year, with Poland's entry into NATO, the country will be surrounded by allies for the first time in its modern history, and the German Parliament will return to the Reichstag. A cycle has been completed, it would seem, a chapter closed, 53 years after the fall of Hitler's Reich.

And yet, Germany is anything but tranquil at the dawn of Chancellor Ger-

hard Schröder's rule. In recent weeks, a former president, leading writers and prominent Jews have been drawn into a fierce debate about the place of memory and the shame, if any, that young Germans should feel for the crimes of their forebears.

Germany has broached such issues before, but in its scope, openness and vitriol, the discussion appears to be without precedent. Behind it lies a growing exasperation at what is seen by some as a commercial exploitation of the Holocaust. Also apparent is a thirst for normality in a society that has re-

peatedly tried to confront Auschwitz and anxiety over freedom of speech in what is an established democracy.

"Perhaps, in the long run, it is good that a debate has been engendered, however painful," said Fritz Stern, a history professor at Columbia University. "For always, beneath the surface, there has been the wish to be normal in Germany, the wish not to be reminded all the time."

The controversy began in October when Martin Walser, a prominent writer, used an acceptance speech for Germany's top literary award to say

something that he said made him "tremble" at his audacity: Auschwitz should not become a "routine threat, a tool of intimidation, a moral cudgel or just a compulsory exercise." Nor, he added, should German shame be "exploited for present purposes."

Response was overwhelming and electric because the challenge came not from the rightist fringe but from a man of the intellectual and moral center.

"Mental arson," said Ignatz Bubis, leader of Germany's small but growing Jewish community, who accused Mr. Walser of encouraging neo-Nazi

groups, stimulating a new intellectual nationalism and betraying the memory of Auschwitz.

Rushing to Mr. Walser's defense, the writer Monika Maron said that he had not gone far enough. "I, for my part, neither think nor feel that young Germans must carry the shame of their nation," she wrote in the newspaper *Die Zeit*. "For me, young Germans are as little incriminated as young Danes or young French."

She wondered how "we can convince other countries of our normality if we ourselves deny that claim?"

Miss Maron ended with a troubling confession: "Now that I defend Walser, I am also trembling a little bit. Why? Where do I live that I am afraid even to say what I think?"

Ever since 1945, Germany has been a country where the voicing of nationalist, or even strongly patriotic, sentiment has been suspect, and freedom of expression in mainstream debate has not extended to questioning "the exploitation" of the Holocaust. Perhaps Germany is only now lifting the last taboos bequeathed by Hitler and going through the final throes of its confrontation with Hitler's Reich.

After the death camps, after the destruction of European Jewry, Germany has more recently been dealing with the issues of slave labor at many of its corporations and the cooperation of many banks and insurance companies with the Nazis.

"The taboos have all been lifted at last, and the complexity of most sectors of German society revealed," said Azio Mayer, a historian at Princeton University. "But once you do that, of course, you want to move forward, get beyond it all."

Yet, at the very moment when this desire to move on has apparently crystallized, the Holocaust has become more omnipresent than ever, brought to the public by the movie "Schindler's List," popularized in American television series, argued over in claims against Swiss banks and used as a regular ingredient of New York politics.

The Germans' growing belief that the Holocaust into the sole event of World War II and their sharpened desire to put a terrible century behind them seem to lie at the heart of the current furor.

Mr. Walser was careful not to say who was doing the exploiting. But in another long defense of him, Klaus von Dohnanyi, a former mayor of Hamburg and a man whose own father was killed by the Nazis because of his acts of resistance, was explicit.

He singled out U.S. Senator Alfonse D'Amato, Republican of New York, who helped force the Swiss to settle Jewish claims, as an example of the "political instrumentalization" of the Holocaust. He complained of a "Holocaust industry" and suggested that visitors to concentration camps today increasingly seemed driven by idle curiosity. "Remembrance must not become comfortable routine," Mr. von Dohnanyi said. "This is the danger Walser came out against."

Mr. von Dohnanyi also compared his own situation with that of Mr. Bubis, the Jewish leader. Relatives of both men were killed by the Nazis. Both bore no responsibility for these crimes. Yet there the similarities ended. While Mr. Bubis was naturally, and rightfully, exonerated, Mr. von Dohnanyi felt compelled to accept the "historic guilt" of the Germans.

This was naturally a difficult role, and

## BRIEFLY

## Energy Taxes Split Allies in Germany

BERLIN — Energy taxes emerged as a source of friction in the government of Chancellor Gerhard Schröder over the weekend.

In comments published Sunday, leaders of Mr. Schröder's Social Democrats wanted their government ally, the Greens, to bury calls for a greater hike in gasoline prices than agreed with Mr. Schröder.

Gerhard Glogowski, the Social Democratic governor of Lower Saxony, said both sides had "a clear agreement" on an increase of 6 pfennig (3.5 U.S. cents) per liter next year. "That's the way it will have to stay," he told *Welt am Sonntag* newspaper. (AP)

## Paris-Bonn Summit To Seek Better Ties

BONN — Chancellor Gerhard Schröder is to host a summit meeting with French leaders Monday looking to improve Franco-German relations, which faltered in the dying days of former Chancellor Helmut Kohl's administration.

The Bonn-Paris axis is widely seen as the motor of European integration, and will need to be running smoothly when Germany assumes the presidency of both the European Union and the Group of Seven industrialized nations Jan. 1, the starting date of the euro.

Officials from both governments say Mr. Schröder, President Jacques Chirac and Prime Minister Lionel Jospin will officially "re-launch" ties after the two-day summit meeting in Potsdam. (Reuters)

## Miss World Said To Suffer Assault

LONDON — The new Miss World, Linor Abargil of Israel, was sexually assaulted last month while in Italy for a fashion show, British newspapers reported Sunday.

The Italian press agency ANSA, citing unnamed sources, said a travel agency boss in Milan was arrested after being accused of an Oct. 6 assault on a model, whom ANSA identified as Miss Abargil. (AP)

Mr. von Dohnanyi said Mr. Walser's speech should be seen as the "complaint of a personally innocent German, who feels caught in the disgrace of crimes of preceding generations which he did not commit, but for which he nevertheless has to feel responsible. It was the understandable, even necessary complaint of a conscientious non-Jewish German about the difficult fate of being such a German today."

But when, if ever, will that fate become a lighter one? Perhaps the very fact of so open a debate suggests a society that is opening up and outgrowing its fears.

The resentments alluded to by Mr. Walser are widespread — he has received enormous support — and could grow sharper if the new government or the European Union fails to offer Germans the more unburdened identity they clearly crave.

## St. Petersburg Revisits Its Bloody Past

A City of Culture and Beauty Copes With a Legacy of Moral Decay

By Celestine Bohlen  
New York Times Service

ST. PETERSBURG — In this century, this city has made more than its share of history and seen more than its share of blood. It was here in 1917 that the Romanov dynasty fell and the Bolshevik revolution began. The murder here in 1934 of a local Communist commissar unleashed Stalin's

campaign of terror, which sent millions to camps in Siberia and to their deaths. And so for many Russians, there was an eerie echo to the shots fired in a stairwell off the ice-bound Griboyedova Canal, killing Galina Starovoitova, a 52-year-old Russian legislator known for her fierce defense of democracy and her down-to-earth common sense.

In this hauntingly beautiful city, her death marked the end of an illusion that began in the 1980s with the democratic movement that she helped found. It is a movement that has struggled to survive ever since, fighting against the crime, corruption and economic disarray that

followed the collapse of communism.

"What do you expect in Russia," asked Vladimir, a 47-year-old retired air force pilot who declined to give his last name. "This country is not ready for democracy in terms of both its historical legacy and the mentality of its people. Some mistakenly thought — poof — they could make this country democratic in a week. But it doesn't work that way."

It is enough to tick off a list of the movement's leaders and note where they are now. Andrei Sakharov, the great human rights campaigner, and now Mrs. Starovoitova, his close ally, are dead.

President Boris Yeltsin, who a decade ago was barnstorming the country with a campaign to set Russia free from communism, is now a chronic invalid.

Anatoli Sobchak, one of the leading orators of the democratic movement and the first elected mayor of St. Petersburg, was voted out of office in 1996 and, facing charges of corruption, slipped away to a life of self-imposed exile in Paris.

Anatoli Chnbais, an economic reformer who left the old czarist capital of Russia to run post-communist privatization, is now a politically discredited figure, blamed for improving the lives of a wealthy few at the expense of the numerous poor.

In this city of 5 million, which dropped the name *Leningrad* and reverted to its imperial name after communism fell, "democrat" is still not quite the dirty word it has become elsewhere. Liberal parties — whether the Democratic Russia of Mrs. Starovoitova or the Yabloko bloc of Grigori Yavlinsky — continue to hold their own, even after ceding the local governorship to an old-style apparatchik in 1996. The Communist Party has never placed better than fourth here in local or national elections.

But few deny that the democrats, even when they had power, did little to improve the life of the city that Peter the Great decreed into existence, its splendor rising on marshes where the thousands of slaves who died building it are now buried.

Modern St. Petersburg is still dominated by an ailing defense industry. While its service sector has surged ahead, the city center has little of Moscow's luster and one of its frantic bustle. A few historical buildings are under restoration, but for the most part St. Petersburg's pastel palaces now, as before, could use a coat of paint.

Most disturbing of all, murders have become commonplace here. Last year, a sniper killed a top city official as he drove down the main street. An aide to the speaker of the Russian Parliament, a local Communist deputy, was wounded



Willem Alexander, the Dutch crown prince, paying respects Sunday at the grave of the democracy advocate Galina Starovoitova in St. Petersburg.

this autumn. Other victims of gangland-style killings and beatings have included businessmen, managers of the city's port, bankers and an investigative journalist.

"Murder has become a way of solving problems," said Sergei Kozirev, a physicist and close ally of Mrs. Starovoitova's, echoing Stalin's famous phrase: "Where there is a man, there's a problem. No man, no problem."

Such lawlessness is not uncommon in the rest of the country, but in this graceful city, which prides itself on preserving Russia's cultural heritage and the purity of its pre-communist language, the new reputation as a capital of crime sits hard.

Dmitri Likhachev, at 91 a venerated St. Petersburg-based scholar whose wisdom is often sought in times of trouble, looks at the latest murder as an example of a moral collapse that occurred during decades of communist rule, revealed in full only when that control was lifted. What shocks him most, he said, is the modern Russian use of the English word "killer" to describe a profession like any other.

Many democrats say that they had underestimated the legacy of 70 years of totalitarian rule. "If people are used to one form of behavior," Mr. Kozirev said, "a form of vertical authority, then when someone suddenly comes along and changes the signals, replaces one idea with another, they can't just adapt overnight. It is not easy to turn a boat around. And this is a big boat, and the inertia runs deep."

## Royals May Lose Their Vote in the Lords

Agence France-Presse

LONDON — Queen Elizabeth II has agreed that members of the royal family will lose their historic right to sit and vote in Parliament as part of government reforms of the House of Lords, it was confirmed Sunday.

Prince Philip, Prince Charles, Prince Andrew and the Dukes of Gloucester and Kent will all lose their seats along with other hereditary members if legislation announced in last week's Queen's Speech is passed.

"Formal advice has been received from the government on reforms and, in line with established constitutional practice, the queen has accepted that advice," a Buckingham Palace spokesman said.

A government spokesman pointed out that members of the royal family have not voted for many years.

The House of Lords Reform Bill, which would remove the right of hereditary peers to sit in the Lords, is expected to be introduced next year.

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## EDITORIALS/OPINION

## Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Russia Needs Government

Last Monday Boris Yeltsin was admitted, yet again, to the hospital, reportedly suffering from pneumonia. It is his third acknowledged illness in recent weeks, the others having been described as bronchitis and nervous exhaustion. Stretching back only a little further, Mr. Yeltsin has suffered at least two heart attacks and withstood quintuple coronary-artery bypass surgery. His overseas trips have had to be cut short when he staggered or didn't know where he was.

And no one believes that the Kremlin has fully disclosed the president's medical troubles. Last Monday his spokesman offered the novel explanation that Mr. Yeltsin had been struck ill by grief at the killing of the democratic politician Galina Starovoița.

Certainly there is enough in Russia today to break Mr. Yeltsin's heart. The execution-style slaying of the principled Miss Starovoița was shocking, and it only symbolized a wider failure to implement a rule of law.

Mr. Yeltsin imagined himself retiring, when his term ends in 2000, as the revered father of Russian democracy, the man who had put Russia on the road to prosperity, civility and inclusion in the West. Instead his country is once again beseeching the West for free food so that Russians will not starve this winter. It cannot pay its debts. All the nightmarish fears of 1991-1992 — a breakup of the country,

social upheavals, strongman coups — have reappeared. They may be no more realistic now than they proved then, but that they can be taken seriously at all shows how short Russia has fallen of Mr. Yeltsin's goals.

Undoubtedly he is responsible for much of that failure — not only the mistakes he made as president, but also his inconstancy and absence during recent years of illness. There is much in his record to be proud of, but today his government is close to paralyzed. A kind of coalition cabinet cannot agree on anything of significance, and Mr. Yeltsin does not have the strength to push it one way or the other. Any difficult decisions get postponed as politicians await a transition. That no one can be sure when the transition will come only heightens the uncertainty.

Almost from the beginning, President Yeltsin's enemies have been trying to force him out. For years those efforts were unworthy. Communists, for example, wanted to impeach him for his role in breaking up the Soviet Union. But now there is more logic to the widespread calls for his resignation and for a constitutional process to replace him.

Whoever comes next may well be worse than a healthy Boris Yeltsin. But Mr. Yeltsin today cannot govern, and as long as he remains president, neither can anyone else.

—THE WASHINGTON POST.

## Keeping Girls in School

One of the most damaging consequences of the world's economic troubles is that parents are pulling their children out of school. Girls are the first casualty. In most poor and even middle-income countries, many girls stay home while their brothers go to primary school. Countries are now recognizing the harm caused by this educational gender gap, however, and some are trying new ideas to get girls into school and keep them there.

Even in some countries where primary school is free, parents must pay for uniforms, shoes, supplies and transportation. Families also lose the economic contribution that the child can make. Since girls are likely to care for siblings and help with housework, parents tend to need their labor at a younger age than boys'. In most of the developing world, moreover, girls have lower status, and a long walk to school may be unsafe for them. Especially in places where the quality of instruction is poor, many families think of girls' education as a luxury.

As a result, in sub-Saharan Africa, where only half the children aged 6 to 11 go to school, 68 girls are enrolled in primary school for every 100 boys. The gap is just as bad in many South Asian and Middle Eastern nations. In Latin America, rural areas are the problem. In rural Guatemala, for example, two-thirds of the girls who start first grade drop out before third grade; as a consequence, 60 percent of women in Guatemala cannot read.

Rural zones worldwide are also home to the most traditional families and people who may not speak the language of instruction. More important, rural families are poorer than those in cities, and their schools are both worse and more scattered.

The last 10 years have seen new

attention given to the consequence of keeping girls out of school, spurred by several United Nations conferences on population and women's issues. Studies show that attention to girls' education directly affects a nation's progress.

While educated men have more children than their uneducated counterparts, education encourages women to marry later and have fewer and healthier children. Educating women increases the chances that a family will spend its income on the children. A focus on keeping girls in school also changes social attitudes, which has improved school attendance for boys.

The good news is that many of the programs to keep girls in school have been successful. Malawi doubled girls' school attendance from 1990 to 1996 by eliminating school fees and uniforms and adding 22,000 new teachers, so students are more apt to find a school nearby.

Scholarships, some of just \$5 a month, compensate families for the loss of girls' income in Bangladesh, Pakistan and Guatemala. In some Mexican schools, children can bring the young siblings in their care, which also gives the babies a more stimulating environment. Many countries have increased girls' attendance simply by improving the quality of schools and teaching.

These pilot programs have not spread very far. Traditional societies can be suspicious of focusing on girls. The World Bank and regional development banks embrace girls' schooling, but the programs needed are huge and expensive. Educating girls, however, is a good investment, producing lower birthrates, healthier children and a better educated and richer population all around.

—THE NEW YORK TIMES

## Other Comment

## Ex-Tyrants Are Fair Game

Over the past 50 years, nations have agreed a range of treaties outlawing the systematic murder, torture and arbitrary imprisonment perpetrated by General Pinochet and his sort. Many of these treaties explicitly rule out immunity for any official, including a former head of state. But these provisions have rarely been translated into national laws or applied by national courts. The perverse result has been that anyone who commanded the murder of thousands had nothing to fear from the law, while the murderer of a single person could be pursued to the ends of the earth.

General Pinochet's arrest, and the Law Lords' judgment, are the latest signs that countries are no longer willing to tolerate this.

The ease with which dictators have escaped any consequences for their crimes has encouraged more to seize power and to commit further barbarities. Latin America, in particular, has

been plagued by military coups. If a dictator forces democrats to grant him an amnesty at home, as General Pinochet did, that is where he ought to stay. The rest of the world is not bound to grant a blanket endorsement to such bad bargains. Putting ex-dictators on trial carries short-term political risks. But this bloody century has shown that the long-term risks of impunity have been far more terrible.

—THE ECONOMIST (London).

## Transition in Malaysia

If the Soviet Union was brought down by the fax machine, Malaysia's transition to new leadership will be driven by the Internet. What we are witnessing is the emergence of a modern nation that has outgrown the leadership of its creator. Mahathir bin Mohamad is eminently a product of his time and will prove unable to make the transition.

—Robert A. Hooper, commenting in the Los Angeles Times.

## Anti-China Sentiment Tips the Balance in Tokyo

By Gregory Clark

TOKYO — Beneath all the talk of Japan-China friendship coming out of Tokyo during this past week's visit by China's President Jiang Zemin, some ugly frictions remained. On the two issues close to Beijing's heart, apology for wartime atrocity and guarantees not to support Taiwan independence, Mr. Jiang got a lot less than he wanted. He canceled the scheduled signing of the final joint declaration.

On the Japanese side, the problem lies with the large pro-Taiwan, anti-Beijing lobby at the heart of the all-powerful conservative camp. Prime Minister Keizo Obuchi may not share all their views, but he cannot ignore their strength in his ruling Liberal Democratic Party, particularly since the party has had to tie up with the splinter Liberal Party headed by the hawkish Ichiro Ozawa in order to get a parliamentary majority.

Many in the lobby have lingering emotional ties to Taiwan, Japan's former colony. President Lee Teng-hui was educated in Japan and speaks the language fluently.

They also retain Japan's traditional dislike and distrust of its large neighbor

and potential rival in East Asia. Some even try to deny the fact of past aggression and atrocity, as if the Chinese had brought the disaster of more than 10 million dead and a decade of military occupation through to 1945 upon themselves.

On the Chinese side, the increased determination to get a proper apology from Japan is significant. It partly reflects China's growing strength and stature in Asia. But it could also have much to do with the growing influence of Shanghai-origin leaders in the Beijing hierarchy.

Shanghai was the area of China most exposed to the full force of Japanese military barbarity before 1945. It also produced the generation of Westernized leaders, including Mr. Jiang, who have contributed so much to China's progress and who see the West, the United States especially, as China's natural partner in world affairs.

For the moment, the main sticking point in relations is Tokyo's determination to endorse guidelines for close

military cooperation with America in the event of an Asian emergency. Tokyo refuses specifically to deny that Taiwan is excluded from the area of cooperation, saying simply that the area is undefined. Japan's hawks have made clear that Taiwan is included.

The joker in this particular pack is the United States. On the one hand it seems clear that advisers close to President Bill Clinton realize the danger of nuclear confrontation with China over Taiwan in the future and want to dampen any Taiwanese ambitions for independence. Meanwhile, American hawks, in Congress and in the military, want to give every sort of support to Taiwan, and have encouraged the Tokyo hawks in the same direction.

The future is not bright. Even moderate Japanese find it hard to understand the depth of Chinese feeling about past atrocities. Yet the behavior of the Japanese military in China went well beyond that of the Germans in the former Soviet Union. German atrocity, while evil, was selective. Japanese atrocity was indiscriminate, with all Chinese as the target.

Worse was Japan's lack of remorse

for what it had done, with most of the guilty gaining honored places in Japan's postwar establishment.

Educated Chinese know all this. Many take malicious delight in Japan's economic difficulties. Foreign leaders visiting Beijing are now told almost ritually that Japan is a spent power and that the future lies with China.

This adds further flame to anti-China feelings among Japan's hawks. They realize that Japan alone cannot hope to compare with China in the Asia of the future. Their one hope is to see a U.S.-Chinese confrontation, ideally over Taiwan and possibly over Tibet, leading ultimately to the breakup of China as other ethnic regions seek autonomy or independence.

Recent disclosure of CIA funding for a project at a Hawaii academic institution to consider the chances of just such a breakup suggests that the Japan-U.S. hawk-hawk relationship is much closer than many realize.

The writer, a former Australian diplomat and longtime resident of Japan, contributed this comment to the International Herald Tribune.

## The Pinochet Case Turns the World in a New Direction

By William Pfaff

PARIS — The great significance of the Pinochet decision is that the majority of Britain's Law Lords affirmed universal jurisdiction over crimes against humanity. They implicitly held that any national justice system is entitled to prosecute such crimes.

In the past, since the 17th century and Thomas Hobbes, international law was held not to be true law because there was no one to enforce it. It was said to be merely a set of agreements.

This inspired many worthy efforts, without real effect or solid intellectual base, to promote the idea of a world government to enforce world law and world peace. Seductive as the idea was to many people, while frightening others who feared that world government would prove a tyranny, these efforts predictably failed.

They rested on a facile but false analogy between the world community, with all of its diversity, conflicting perceptions and interests, differing levels of civilization and political culture, and the national communities in which modern democracy and modern systems of domestic law have developed.

The United Nations exercises authority only as the agent of the nations who are its members. The most powerful of those members reject its authority when they wish to do so — hence the Security Council veto. The United Nations' accomplishments are many, but it is not a sovereignty, an autonomous lawgiver; nor, in the absence of great-power consensus, is it a law-enforcer.

Britain's Law Lords have now said that crimes against humanity do not have to be defined by a world authority. They are spontaneously recognizable. As Lord Nicholls wrote in his decision: "Certain types of conduct, including torture and hostage-taking, are not ac-

ceptable conduct on the part of anyone. This applies as much to heads of state, or even more so, as it does to everyone else."

Even if crimes against humanity are self-evident, and jurisdiction can be exercised by any nation's courts, these prosecutions must nonetheless be expected to remain exceptional. Despoils in office are generally considered beyond legal prosecution because in the exercise of office they partake of the sovereignty of the state.

That was the conclusion drawn by Britain's High Court on Oct. 28, when it said that Augusto Pinochet could not be arrested because he is a former head of state. Medieval legal doctrine traditionally said there were two kings, the king in his own person, a sinner subject to God's judgment and human

criticism, and the king as king, held to be the agent in this world of divine right, and therefore beyond human judgment.

The immunity of heads of state came under attack by the Allies in the world wars, when they demanded in 1918 that the Kaiser, and then in 1945 that Hitler, Mussolini, and General Hideki Tojo, Japan's prime minister, be tried. They were thwarted, but they established the Nuremberg tribunal, which held that individuals responsible for the crimes of governments can be punished.

Since then, the Hague and Arusha war crimes tribunals have been created, and a project for a permanent international court for crimes against humanity was approved by 120 nations in Rome last summer. The Law Lords made their decision in the

Pinochet case in the context of this continuing development of international precedent.

The outcome of all this will be mixed. Some ex-tyrants may be prosecuted and some not, just as some political terrorists end in prison, such as Carlos the Jackal, and some end as heads of nations, such as Yasser Arafat, Menachem Begin and Ezer Weizman.

There are worse men than the bearded and reactionary General Pinochet who enjoy tranquil retirements today. His indictment by a Spanish magistrate, Baltasar Garçon, is obviously, for many Spaniards, symbolic of the trial of General Francisco Franco that never happened — and it is probably better that it did not.

Some think that the Pinochet case will inspire, frivolous or ideological indictments, which is possible. That fear caused the

American military to veto U.S. signature of the humanitarian crimes tribunal treaty approved last July in Rome.

Those in the Pentagon who fear frivolous prosecutions would be better off supporting that tribunal, which incorporates institutional barriers against prosecutions without merit — including a provision which says that international prosecution is permissible only if the accused's own country refuses to try the case.

International law is headed in a desirable new direction. The virtual immunity that criminal heads of state have enjoyed until now has been an outrage to justice. The remedies now being established bring obvious problems. They nonetheless represent progress in the interminable effort to civilize man.

International Herald Tribune, Los Angeles Times Syndicate.

## East Asia, Too, Is Giving Up on Internet Censorship

HONOLULU — The Internet's penchant for evading censorship, confounds regulators and moral watchdogs around the world. Nowhere are official media restrictions being challenged more than in Asia.

"The Internet is rapidly undermining whatever monopoly control of the media governments might have had," Singapore's Senior Minister Lee Kuan Yew noted recently. "Governments that try to fight the new technology will lose."

Eager to tap the Internet's vast economic potential, fewer and fewer Asian countries are now inclined even to try.

Next month, Vietnam will mark the first anniversary of its "Internet Day." China sponsors rural Internet development to help boost productivity. Virtually all of Indonesia's main post offices offer Web access.

Even Burma's military regime recently announced plans to usher in the Internet, saying it was urgently needed.

When Asians first began going on-line, authorities reacted with alarm. Singapore announced bans on all Internet material that might "excite disaffection against the government." China blocked dozens of Web sites, ranging from Time magazine and Amnesty International to Playboy. Vietnam forbade public access to what it regarded as a lawless medium.

The view of the Net as "a polluting influence, full of Western decadent values," as one Hong Kong newspaper put it, has been tempered by a realization that it could be vital to future growth. Internet commerce will amount to as much

as \$3.2 trillion in 2003, according to the high-tech consultancy Forrester Research.

The International Data Corp. conservatively predicts that in 2002 transactions over the Net will soar to \$15.4 billion in the Asia-Pacific region, excluding Japan.

Desperately seeking to revive their economies, governments now seek to tap the rewards of cyberspace. Singapore spends more than \$400 million each year to build and promote one of the world's most advanced information infrastructures. Malaysia is pressing ahead with construction of a \$40 billion Multimedia Super Corridor, its answer to Silicon Valley. China is investing in a \$28 billion national fiber optic network, while recently liberalized regulations effectively quadruple the bandwidth available to the outside world.

As Asia rushes to embrace Internet technologies, enthusiasm for controlling content on the Web is clearly waning. Despite political challenges to the government, Malaysia recently affirmed its commitment to keep the Internet censor-free in the Multimedia Super Corridor. "Net-savvy people strongly prefer no censorship," said Michael Lim, a young executive working to promote the corridor. "We see guaranteeing that their preferences are respected as giving us a competitive advantage."

Supporters of former Malaysian Deputy Prime Minister Anwar Ibrahim, sacked in September and now being tried on corruption and sodomy charges that he denies, rely on the Web to air the side of the story ignored by the pro-government domestic press.

Recently, Singapore seems to see that a reputation for impeding the flow of information is bad for business. Authorities have said they would increasingly rely on "industry self-regulation" as part of a "light-touch" approach to policing the Net.

Beijing's attempts to stem burgeoning political activism on the Web have resulted in few Internet-related arrests. But, according to the president of a China-based Internet consulting firm, many Chinese now believe that the country's porous barriers to the World Wide Web are "intended only to convince the Internet-illiterate old guard that the Internet can be controlled, and is not to be feared."

With 35.3 million people expected to be on-line in the Asia-Pacific region in 2002, equaling or even exceeding the number of subscribers in Europe, the Internet's explosive growth promises to affect even those Asians unable to log on. For as more and more in the region are exposed to on-line news and views, tight print and broadcast controls in some countries are beginning to unravel. The spread of foreign satellite television is hastening this trend.

Malaysian Information Minister Mohamed Rahmat recently acknowledged that "present advanced technology" makes press censorship increasingly "difficult."

The writer, a fellow at the East-West Center in Honolulu, specializes in tracking democracy, telecommunications and censorship in Asia. He contributed this comment to the International Herald Tribune.

## In Eloquent Praise of Reason

By Verlyn Klimkenborg

NEW YORK — By October 1936, Victor Klemperer, a Jew, had been removed from his professorship at the Technical University in Dresden. He and his "Aryan" wife, Eva, lived in a small house of their own in a rural suburb. They were "virtually destitute," Klemperer notes in "I Will Bear Witness," his diary of the years from 1933 to 1941. Klemperer died in Dresden in 1960.

In hopes of finding an appointment abroad, he had begun writing letters to friends and scholars all around the world, but it was too late, as he well knew, and he considered himself bound to Germany.

The house and its garden were the chief adornments of Eva's life. Klemperer later said of his marriage, "I have always seemed glorious to myself on this one point of love and faithfulness." Eva, who shared all of her husband's privations, might have said the same.

No single metaphor can convey the oppressive reality of living in a world that becomes, without limits, steadily more menacing and constricted. Every day Klemperer weighed his wife's infirmities, which were many. Every day he re-told the dwindling supply of marks and pennings and reassessed the restrictions the Nazis had imposed — the loss of library privileges and the right to buy tobacco and to drive a car and to live in one's own home and, eventually, to move about the streets without wearing a yellow star.

Yet every day, with few exceptions, he wrote in his diary and worked on a scholarly study of 18th century literature. It was a labor of desperate distraction, but of love. Something about Klemperer makes him the most extraordinary German witness of Nazism who has yet come to light. Reviewers have mentioned his literary skill and his determination to chronicle the details that the historical record would miss — details that he, a Jew cast away in a sea of anti-Semitism, read as auguries of his fate. These are great qualities indeed, but what illuminates them is his faith in reason.

In October 1936, Klemperer notes both Hitler's attack on "intellectualism" and the widespread credulity among German people that grounded Hitler's attack. In words that still apply today, he wrote: "People treat reason as if it were the most minor and harmful aspect of a whole human being. It is as if a soldier standing guard were to say to himself: 'What good would my rifle be, if I were now to be attacked by a dozen enemies? I shall therefore lay it aside and smoke opium cigarettes until I doze off.'"

For Klemperer, reason had nothing to do with class or profession or even intelligence. All around him he saw professors and intellectuals who abandoned reason for self-interest, who sided or temporized with the Nazis. He saw so many, in fact, that he was to determine the fate of the Germans he might let or

deny people and even some leaders go. "But I would have all the intellectuals strung up, and the professors a meter higher than the rest; they would be left hanging from the lampposts for as long as was compatible with hygiene."

Klemperer was heir of the Enlightenment, of Voltaire and Montesquieu, and he demonstrates that reason is not only a quality of mind, in his case a deeply moral perception, but also a cultural tradition of enormous value, one that has come under question in our own time. His example suggests that there can be no post-Enlightenment, only a sub-Enlightenment.

There is nothing cold or distanced about the cast of Klemperer's character. Reason is a refuge in him from the emotions that flayed him and every Jew, as well as every reasonable German, while Hitler consolidated his power. But it allowed Klemperer to penetrate the historical moment with unrivaled acuity.

In January 1939, in a nation mad over race, Klemperer wrote: "Race, in the sense of pure blood, is a zoological concept, and a concept that long ago ceased to correspond to any reality — is at any rate less a reality than the old strict distinction between the spheres of man and wife."

Then he adds: "The solution of the Jewish question can only be found in the deliverance from those who have invented it. And the world — because now this really does concern the world — will be forced to act accordingly."

The New York Times.

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## INTERNATIONAL

## With Popular Opinion Pro-NATO, Neutral Sweden Warms to Alliance

By Joseph Fitchett  
International Herald Tribune

STOCKHOLM — Sweden, officially a neutral state avoiding foreign entanglements, has moved steadily in recent years toward more active engagement with NATO — and Swedish opinion now appears to support joining the U.S.-led alliance.

Overwhelmingly, Swedish energies beyond the country's borders are focused on consolidating the independence of the Baltic states and security around the Baltic Sea, including not only the Nordic nations but also Russia, a process that has advanced more smoothly since the end of the Cold War than many observers had anticipated, according to government officials and foreign diplomats in Stockholm.

With concern subsiding about any serious Russian threat, these sources said, Sweden wants a larger alliance role because policymakers have concluded that the North Atlantic Treaty Organization is the club collectively shaping security issues throughout Europe in its broadest dimensions, a zone running from the Baltic to the Balkans and including a purchase on events in the Middle East.

"Sweden sees that NATO has much of the action on a whole security environment from disarmament in Europe to defense industrial planning or from nuclear proliferation to Kurdish terrorism," a U.S. official said after a recent conference on Baltic security.

Despite all these initiatives, Swedish officials remain publicly on the defensive. The conference heard a keynote speech from Foreign Minister Anna Lindh in which she extolled "regional military cooperation in the Partnership for Peace" without using the word "NATO," even though the partnership was created by the alliance.

## Nation Stresses Role in Baltic Security

Pursuing this broad agenda, Sweden has sought a voice in NATO discussions about the future direction of military operations such as peace enforcement or crisis prevention that seem increasingly important in European security. Similarly, Stockholm has asked to participate in a pending round of talks on curbing conventional armed forces in Europe.

This forum, shunned by Sweden during the Cold War, produced armaments ceilings for NATO and the Warsaw Pact countries that facilitated German reunification. The talks will seek new, lower ceilings, important for Sweden as they shape future European arsenals.

Officials remain publicly on the defensive. The conference heard a keynote speech from Foreign Minister Anna Lindh in which she extolled "regional military cooperation in the Partnership for Peace" without using the word "NATO," even though the partnership was created by the alliance.

This gingerly approach to diplomatic issues has become characteristic of the Social Democratic government, officials said, especially since it has become a minority government that must face deepening popular discontent about the meager benefits from the European Union, which Sweden joined four years ago.

NATO elicited strong enthusiasm among Swedish officials, who described Sweden as the most active country in NATO's program for military cooperation with nonmembers. For example, they said, although it numbers fewer than 500 men, the Swedish battalion in Bosnia is the most professional contribution to the NATO-led peacekeeping mission there by any country outside the alliance.

Outside the military, too, Swedish opinion seems to be warming to NATO. For the first time, a nationwide poll this autumn found a majority of Swedes saying that they would support joining the alliance if their country had the opportunity. Underscoring this view, only a quarter of the respondents said that nonalignment, the traditional Swedish

posture, is now the best approach to protecting the country's security. The survey was one of a series routinely conducted in the Baltic region and elsewhere by the U.S. Information Agency.

The agency's decision to publish the polling results in Sweden caused consternation in government circles, particularly when several Swedish columnists suggested that public opinion was outpacing official policy in adjusting to a new era in global security.

Diplomats said the government has tended to shun domestic debate on security issues even as Swedish officials press their views at NATO headquarters, insisting that Sweden be given a policy-making voice commensurate with its significant military contribution.

"They may be newcomers to the club," a U.S. official said recently in Brussels, "but that doesn't stop them from having ideas about how we could do almost everything better if we only listened to Swedish thinking."

The cultural residue from Swedish leaders' long-standing proclivity to preach to other governments cannot mar the admiration of U.S. and other officials at NATO for Sweden's political and economic investment in shoring up the Baltic states — Estonia, Lithuania and Latvia — and enabling them to accept the disavowal of not being asked to join NATO within the foreseeable future.

The unspoken obstacle to membership is geography, which has put the three countries into historically uncomfortable proximity to Russia. But the Nordic nations, especially Sweden and Denmark, which is a NATO member, have campaigned strenuously for the alliance to keep the door open publicly to the Baltic states.

"The Danes and the Swedes are constantly harping on the Baltic states as an issue of conscience for NATO," said a U.S. official who deals with alliance enlargement. Beyond this moral suasion, Sweden has actively helped modernize the Baltic states' small economies, using a regional investment policy to merge local companies into entities big enough to compete in world markets.

By offering aid and other ties to Russia, Mrs. Lindh said, Sweden believes that "the Baltic Sea region will become the focus of the European Union's relations with Russia" via the country's northwest corner, St. Petersburg, traditionally the Russian window on the West.

Grudgingly, Moscow has started cooperating more with the Baltic states. In August, Moscow lived up to a critical promise by withdrawing from a key radar installation it had retained in Latvia. The facility, at Skrunda, provided early warning of missiles arriving from submarines operating between Britain and Greenland.

The Clinton administration credits this Swedish-led drive for regional solidarity with helping ease the Baltic issue off the "short list of the toughest issues we thought we would face in European security," the U.S. ambassador in Sweden, Lyndon Olson, told the conference on Baltic security. No longer in the "too-hard-to-handle category," he said, the Baltic region has become a place where overall Western strategy for Europe seems to be working out.

## Chile Will Pursue Own Judgment of Pinochet, Official Says

By Warren Hoge  
New York Times Service

LONDON — Pressing Chile's effort to persuade Britain to free General Augusto Pinochet and let him fly home, the country's foreign minister said here Sunday that his government would be pursuing its own judgment of the former dictator.

Jose Miguel Insulza said that the popular view that the 83-year-old general enjoyed unlimited immunity in his own country was wrong and that there were 14 cases against him in the hands of prosecutors in Santiago.

His alleged victims believed the Chilean judge handling the cases, all brought since March when General Pinochet stepped down as commander-in-chief of the armed forces, was doing a "thorough job," Mr. Insulza said.

"I think the government is going to do even more to make sure that the investigation goes forward, but of course you can never say, 'We assure you he is going to jail,'" Mr. Insulza said. In contrast to only "symbolic" justice in Britain or Spain, Mr. Insulza contended, "the only real chance to have some kind of justice and some kind of truth is in Chile where the events happened."

Mr. Insulza made the comments to the television interviewer David Frost in one of a series of appearances and press conferences he has held since arriving in London on Friday to plead the diplomatic case for General Pinochet. A socialist, Mr. Insulza spent years himself in exile during the Pinochet years and will not be visiting the former dictator while he is in London.

General Pinochet is being held here

for a hearing on Dec. 11 on a Spanish petition for his extradition to Madrid to face charges of genocide, terrorism, and torture in connection with the murders and "disappearances" of 3,178 people.

He has remained out of the public eye since his arrest Oct. 16 and is expected to be moving Monday from a North London hospital where he has been recuperating from spinal surgery to a mansion rented by friends in an exclusive community in the Surrey countryside.

His attorneys spent the weekend preparing written arguments for Home Secretary Jack Straw, due by the close of business Monday. Mr. Straw is the British official who must decide whether to let the extradition matter go forward or allow General Pinochet to leave England.

The British government has insisted that the decision is a matter for the courts

and that Mr. Straw, acting in a "quasi-judicial" capacity will not be consulting Prime Minister Tony Blair or his cabinet colleagues. There are only four grounds on which Mr. Straw, by law, may stop the extradition process at this stage: because of compassion, if the crimes are not extraditable ones, if the document itself is faulty, and if the offenses are considered political.

Mr. Insulza saw his British counterpart, Robin Cook, on Friday and dropped off a letter at Mr. Blair's official residence, No. 10 Downing Street. He held a press conference Saturday and gave radio and television interviews in which he argued that Britain was interrupting the progress of democracy and the peaceful move away from authoritarianism in Chile. "The Chilean people have to be allowed to judge and decide how they are going to

deal with their past," he said. He also warned that Anglo-Chilean trade and diplomatic relations could suffer unless the Pinochet impasse were resolved. "We have been close friends and close allies for 175 years and, of course, nobody can guarantee the world that will go on if this thing prolongs itself too much in time," he said.

The British Foreign Office warned against Britons' undertaking nonessential travel to Chile because of the "highly volatile" situation there. The Defense Ministry canceled the visit of the Royal Navy frigate HMS Sutherland to Valparaiso, Chile's second largest city, at the suggestion of the Chilean authorities. "We jointly concluded that conditions at the moment were no longer conducive for a visit to go ahead," a spokesman said.

## A Probe Beyond Pinochet

Spanish Judge Targets Several South Americans

By Clifford Krauss  
New York Times Service

BUENOS AIRES — General Augusto Pinochet, the former Chilean dictator, is only one of several former South American strongmen being investigated by a Spanish judge for possible extradition to Spain.

Another is a retired Argentine admiral, Emilio Massera, the chief ideologue of the military junta that took power in 1976 and supervisor of the most notorious secret detention center in Argentina. Argentine judicial authorities placed Admiral Massera, 73, under arrest this week after he refused to testify about the abduction of children of people who disappeared during the military's campaign against leftists.

Admiral Massera was taken into custody Tuesday in a case that has already led to the detention in June of a former general, Jorge Rafael Videla, who led the first of three military juntas that ruled Argentina between 1976 and 1983.

The admiral previously served five years of a life sentence for his involvement in several kidnappings, tortures and disappearances, until he was pardoned by President Carlos Menem in 1990.

But the presidential pardon of military officers involved in the "dirty war" did not cover the kidnapping of scores of babies by the military after they were born in prison camps. The children were taken from their mothers at birth and adopted by childless military families.

Afterward, the mothers typically were dumped alive from heavy aircraft into the ocean, incinerated, or shot and buried in secret graves, according to the testimony of former military officers.

The case against Admiral Massera involves two children born in 1976 at the Navy Mechanics School in Buenos Aires, which he supervised as naval commander. One of the children, Javier Vildoza, now 20, was raised by a personal assistant to Admiral Massera.



Supporters of General Pinochet burning a British flag in Chile on Sunday to protest his detention in London.

Mr. Vildoza's mother, Cecilia Vinas, was seized by Argentine security forces in 1978 while she was eight months pregnant, and was never seen again.

Before his arrest, Admiral Massera denied any knowledge of the kidnapping of the newborn babies.

Baltasar Garzon, the Spanish judge whose warrant led to the arrest of Mr. Pinochet in London, is also investigating Admiral Massera's links to a Chilean

military operation that sought the capture of Chilean exiles in Argentina and several other countries and their return to Chile for execution.

Mr. Garzon is also looking into the participation of the militaries of Brazil, Paraguay, Uruguay and Bolivia in the Chilean-led program known as Operation Condor.

Argentine news organizations have reported that General Domingo Bussi, a

retired officer, could also be implicated in the Garzon investigation. General Bussi has denied involvement in Operation Condor.

Mr. Menem has strongly backed the Chilean government position that former South American military leaders should be tried in their own countries as a matter of national sovereignty and has pledged to resist any efforts to try Argentine military officers abroad.

## MILOSEVIC: Many See Latest Purge as Beginning of the End

Continued from Page 1

talk here of the resemblance between the ruling court of Mr. Milosevic, his wife and their two wealthy children, Marko and Marija, and that of the Ceausescu family in Romania, which was dominated by a husband-and-wife team and collapsed in a bloody downfall in 1989.

The fall of Mr. Milosevic would have important consequences for the United States. Mr. Milosevic has been treated by the Clinton administration as an important keeper of the peace in Bosnia and as a negotiating partner over the future of Kosovo, where the ethnic Albanian majority is seeking independence.

Mr. Milosevic rules from behind closed doors, rarely appearing in public and almost never granting interviews, even to state news media, which he controls. There has been no official explanation of the recent dismissals.

The purges began shortly after the departure from Belgrade of the U.S. envoy, Richard Holbrooke, who persuaded Mr. Milosevic to agree to international observers in Kosovo, and were preceded by the closing of independent newspapers and academic dismissals at Belgrade University.

The removal of General Perisic on Tuesday was perhaps the least surprising. He publicly criticized Mr. Milosevic last month for allowing what is left of Yugoslavia to become a parish state. Yugoslavia now consists of two republics: Serbia and Montenegro.

General Perisic, who led the Yugoslav National Army during the atrocities in Bosnia, was reported to have opposed the use of his soldiers against ethnic Albanian civilians in Kosovo during the summer offensive there. His skepticism apparently infuriated Mr. Markovic.

The agreement on Kosovo between Yugoslavia and NATO was signed by General Perisic, thus forcing Mr. Milosevic to wait a decent interval before getting rid of him. What was surprising was General Perisic's decision to fight back. On Thursday night the general wanted Mr. Milosevic with a statement saying he had been dismissed illegally and hinting that he was prepared to lead Yugoslavia down a different path.

"I was replaced without consultations, in an inadequate and illegal way," the general said in a statement issued through an independent news agency. "This establishment does not like officials with high personal integrity who use their own heads. I am still at the disposal of the army, the people and the state."

General Perisic, a native of Montenegro, is reported to have the backing of that republic's president, Milo Djukanovic, a former Milosevic ally who has

turned against the Yugoslav president and has won U.S. support for his stand.

Some opponents of Mr. Milosevic, who has thrived throughout his 11-year rule by fomenting crises, say they fear that with Kosovo effectively now policed by the West and its ethnic Albanian guerrillas lying low in winter snows, the president will use the lull to provoke a confrontation with Montenegro.

General Perisic was replaced by General Dragoljub Ojdanic, a member of Miss Markovic's political party who was commander of one of the army corps most active in the savage 1991 fight to wrest the city of Vukovar from Croats, officials said.

The first senior official to be removed was Jovica Stanisic, the head of state security services, whom the West considers a clever intelligence officer. Mr. Stanisic, who knows all the dirty secrets of Mr. Milosevic's rule, was replaced by a senior police patrol officer, Rade Markovic, a loyalist of Miss Markovic's, and a member of her party, known as the Yugoslav Left. Rade Markovic is not related to Miss Markovic.

Along with Mr. Stanisic, a dozen top operational officers of the security service were forced into retirement or removed, a move that may undermine Mr. Milosevic in the longer term, officials said.

Mr. Milosevic next dismissed Milorad Vucelic, the deputy leader of Mr. Milosevic's Socialist Party, who served as the president's political disciplinarian.

To complete the list, the head of the air force, General Ljubica Velickovic, who protested Mr. Milosevic's agreement to allow NATO surveillance flights over Kosovo, was also removed.

Mr. Milosevic has carried out purges before, but never to this extent, and he has never so obviously filled vacancies with loyalists of his wife. This round is also different because it comes when there is no obvious danger to Mr. Milosevic.

And for the first time even courtiers of the regime speak of it in scathing terms. Slavko Curuvija, editor in chief of two publications that were closed down by the government last month, was until recently a confidant of Miss Markovic.

In an interview, he described how he went to see the president's wife in October to offer a few pessimistic predictions. "In the next year or next two years they will lose power," Mr. Curuvija said. "They are making a private regime in which nobody who is not a close friend or not a bodyguard has important positions in the government."

He said his meeting with Miss Markovic ended abruptly. "I told her that everything her husband had done was dramatically bad and that he had to do several things to save Serbia," he said. "I said: 'If you don't stop what's going on, the end will be bloody,' and that many people will be killed and maybe some will be hanged on the Terazije," a central square in Belgrade.

A critical factor governing how long the government will survive is the economy.



REBEL — A Kosovo Liberation Army fighter at celebration in Lausa, Yugoslavia, of the first anniversary of the insurgency.

Battered by sanctions and bans on loans from the World Bank and the International Monetary Fund, it continues to decline.

So far Mr. Milosevic has managed to manipulate the currency so that he can pay about three-quarters of the annual state pensions due and keep the police and army paid. With help from Russia, which provides natural gas even though Yugoslavia is late in its payments, and with deals like a recent oil purchase from Libya, Mr. Milosevic is able to provide energy for the long-suffering people.

## WOUNDS: Jiang Visit Revives Tensions

Continued from Page 1

then the visit might have gone much more smoothly. But Mr. Jiang delayed the trip because of flooding at home.

In the meantime, President Kim Dae Jung of South Korea visited Japan early last month, and the meeting went well. Never had Japan apologized so gracefully for wartime conduct, and never had another nation accepted the apology with such magnanimity.

Mr. Obuchi, according to a written statement of his meeting with Mr. Kim, "expressed remorseful repentance and heartfelt apology." Mr. Kim responded that it was time to move on.

When Mr. Jiang's visit was rescheduled, he demanded the same kind of written apology that Mr. Kim had received. Japan refused, saying that its maximum offer was an oral apology by Mr. Obuchi and a standard written expression of deep remorse.

Why the sharp distinction? The explanation is partly linguistic, because the term that is usually translated into English as remorse — *hansei* — is actually a bit vaguer than that. It can mean regret, but it can also mean self-reflection about even minor matters.

Akiyaka Saiki, Mr. Obuchi's spokesman, offered a couple of reasons why Japan was willing to apologize in writing to South Korea but not to China. First, he said, Japan had colonized Korea but not China. Second, he added, Japan's emperor had already gone to China and

apologized for the war, while the emperor has not visited Korea yet.

It is true that Japan annexed the Korean Peninsula. But Japan also established a puppet state in Manchuria after invading it in 1931, and it dropped plague germs to start epidemics and generally killed and tortured far more Chinese than Koreans.

Moreover, although Emperor Akihito did go to China, he quite deliberately did not apologize for the war. He instead simply expressed deep sadness.

The real reason for the difference in apologies to Japan and Korea seems to go deeper. Under the previous South Korean president, Kim Young Sam, Japanese relations with South Korea were just as tense as relations with China. But Kim Dae Jung was perceived as genuinely eager to start a new chapter in relations.

"While President Kim made it clear that he would like to settle past history," Foreign Minister Masahiko Kōmura of Japan said, "it was not necessarily the case" with President Jiang.

Many observers say that China's leaders have been less interested in resolving the wounds of history than in reminding everyone of their existence. The Communist Party derives its legitimacy in part from its resistance to the Japanese invaders.

Perhaps for this reason, there has been a remarkable inflation in the number of Chinese reported killed in the war with Japan.

After the war, China announced that Japan had killed 1.75 million of its people, although that included only soldiers. After it came to power, the Chinese Communist Party declared that 9.32 million Chinese had been killed, and that figure stood for many years.

Finally, in a speech in 1995, Mr. Jiang raised the estimate to 35 million, and now that is the official Chinese figure.

Mr. Jiang repeated the 35 million estimate in his speeches in Japan, and added: "I, as a witness of history, have the responsibility to convey the historical facts to the younger generation."

What Mr. Jiang himself witnessed is a bit unclear, although it is known that his junior high school was seized by the Japanese Army and turned into a stable. But such pronouncements seem a little hollow because in most respects the Communist Party has done its best to cover up modern history. Far more Chinese were killed by the Communist Party — 30 million in the man-made famine of the early 1960s alone — than by the Japanese Army. When Chinese scholars raise those issues, the Communist Party has emphasized the need to forget about past mistakes and move on.

## TALEBAN: In Mazar-i-Sharif, the Worst Slaughter of 2 Decades of Afghan Civil War

Continued from Page 1

The Hazara who were singled out for slaughter are predominantly Shiite Muslim; the Taleban are Sunni Muslims, as are most Afghans. In addition, the Taleban's attack on Mazar-i-Sharif claimed the lives of nine Iranians, provoking Shiite-dominated Iran to rattle a big Persian sword on the border, mobilizing tens of thousands of elite troops for military exercises that stretched over a month.

William Maley, an Australian specialist on Afghanistan, said that the Mazar-i-Sharif massacre was "striking in its viciousness" even by Afghan standards. "What we saw in August was not civilians caught in the cross fire between combatants, but an orgy of killing driven by racial and religious prejudice," he said. "Afghanistan is teetering on the edge of major ethnic conflict and perhaps even a genocide."

Mazar-i-Sharif had remained the last

major city holding out against the Taleban's strict rule in Afghanistan, which has included the imposition of Islamic law and tight controls on women. But until the shooting started that Saturday morning in August, few residents had any warning that most of the defenders had slipped away overnight or defected, leaving the city's gates wide open to the militia. Shock troops arriving in pickup trucks and cars fired automatic weapons at everyone in sight, regardless of ethnicity, in an apparent effort to terrorize a rebellious population into submission, witnesses said.

"It didn't matter whether they were small children, women, men or old men," said a Hazara woman now living in Quetta, a border city in Pakistan where thousands of other refugees from Mazar-i-Sharif have made their way. "They were just shooting at people."

Down four avenues that radiate from the central square, antiaircraft guns mounted on military trucks sprayed heavy

bullets as panicked merchants and shoppers broke into a desperate sprint for safety, according to a Hazara truck driver who watched from an upper floor of a nearby building. In the bedlam, speeding cars hit some people and raced over the bodies of others killed in the firing.

After a few hours, the shooting subsided. Blood stained the walls of shops and residential compounds. For at least three days, bodies lay where they fell on the orders of the Taleban commander who took charge of the city, witnesses said. It was not until the bodies began to rot and stink in the dry summer heat, threatening disease, that the commander, Manon Nazi, allowed burial of the dead. By then, stray dogs were feeding on the bodies.

Recent interviews of Hazara refugees and reports by the United Nations and Human Rights Watch were consistent in their general accounts of the initial indiscriminate killing, followed by days of targeting Hazara.

Officially, the Taleban government in

Kabul says no such massacre took place, although Taleban officials have barred human rights investigators and journalists from Mazar-i-Sharif.

The Taleban denounced the report of a UN human rights investigator as "vast propaganda," maintaining that its forces had killed only combatants, confiscated firearms from civilians and temporarily evacuated some residents.

In responding to the UN report, the Taleban also cited the summary executions in May 1997 of 2,000 to 3,000 Taleban prisoners in the Mazar-i-Sharif area. Human-rights investigators have concluded that those killings motivated the militia to take revenge.

But the Hazara were not responsible for the killings last year. Although they started an uprising soon after the Taleban marched into the city in an earlier offensive in May 1997, a militia dominated by ethnic Uzbeks quickly took control of the situation and rounded up the Taleban prisoners.



## LANGUAGE

## Boneheads, Cuckolds and Cuckqueans

By William Safire

NEW YORK — We now inaugurate the Pundits Aid Society, committed to helping distressed columnists in search of roots.

In one of his occasional columns titled "Ask Mr. Language Person," the humorist Dave Barry, purportedly received this question: "I am in the field of business, and people keep saying they want to 'touch base' with me. They'll say, 'I just wanted to touch base with you on the Foomberman contract' or 'We need to touch base on the rental sheep for the sales conference.' But my understanding of the rules is that if you touch base WITH somebody, at the same time, at least one of you is out. So my question is, Who the heck is 'Foomberman'?"

The answer from Barry's Mr. Language Person: "We decided to consult with William Safire... but his number is not listed."

It's my e-mail that's not listed. But I bought a copy of The Washington Post on Sunday, turned to "Wit's End" in the magazine (as the Barry column is called there) and got the message.

It is a shortening of the baseball rule *touch all bases*. Paul Dickson, whose New Dickson Baseball Dictionary is coming out in February, off-season, says: "The baseball term means you have to make contact with the three bases in your way around the base path in home plate. That's why coaches tell players to remember to touch all the bases."

That was extended to the general language in the sense of "to get in contact with," as in "I better touch base with my mother; she gets sore when I don't call." The more frequent sense is "to obtain the approval of," as in "touch base with you on the Foomberman contract." Because the metaphorical extension of the baseball term is not yet in the Oxford English Dictionary, the "approval" sense seems relatively recent, with citations in the late '70s.

The most memorable case of *base non-touching* took place on Sept. 23, 1998. With two outs in the last half of the ninth inning, the game tied, 1-1, the Giants had runners on first and third. The Giant hitter singled, scoring the man from third and apparently winning the game.

The runner on first, Fred Merkle, age 19, turned and gleefully headed for the clubhouse celebration. But the Chicago Cubs second baseman, Johnny Evers

(of the famed Tinker-to-Evers-to-Chance double-play combination), spotted what he believed to be an infraction of the rules. He called for a ball from the umpire and stepped on second base, claiming to have retired Merkle on a force-out.

The crowd had poured onto the field, and play could not be resumed; the game was called a tie. In the tie-breaking game two weeks later, the Giants lost the game and the pennant.

This popularized the slang term *bonehead*, an American alteration of the British *blockhead*. The Chicago Tribune, on Sept. 24, 1908, wrote,

*The cuckoo bird is said to have the habit of laying its eggs in another bird's nest. That led, eventually, to cuckold.*

"Then came the bonehead finish.... The errant player, an otherwise intelligent first baseman, went through a 16-year career known as Fred (Bonehead) Merkle because he failed to touch base. It is a mild epithet for stupidity, one that Al D'Amato probably wishes he had used against the new senator from New York, Charles Schumer.

The second distressed syndicated columnist seeking help from the free services of the Pundits Aid Society is Richard Cohen of The Washington Post.

"I am enclosing Evan Thomas's review of the Nina Burleigh book on Mary Meyer. I direct your attention to the last graph [punditese for "paragraph"] in which Evan says, 'Writing in his journal... shortly after he had been both promoted at the CIA and cuckolded by his wife.... I thought it is the male lover, not the wife, who cuckolds the husband. I have turned to the American Heritage dictionary, but without success. (The derivation of *cuckold* sure is interesting, though.) Please clear this up for me."

Gladly, the *cuckoo* bird is said to have the habit of laying its eggs in another bird's nest, leaving them to be cared for by the other, adoptive bird. That led to *cuckold*, "a derisive term

for a husband who has been the victim of adultery, the party betrayed by an unfaithful wife."

All 29 uses of the word in Shakespeare are directed at the husband betrayed, or at least believing his wife to be fooling around. Othello: "I will chop her into messes," he roars, when the sly Iago unfairly accuses his wife, Desdemona. How dare she "Cuckold me!"

In most citations of this word in the OED, first used around the year 1250 (this has been going on a long time), it is the wife who *cuckolds* the husband. This is etymologically consistent: The female *cuckoo* bird is the one who lays the eggs in the wrong nest. Male *cuckoos* just fly around and make a distinctive sound immortalized in clocks.

Thus the columnist Cohen has too narrow a focus: It is both the unfaithful wife and the seductive paramour, her male lover, who do the *cuckolding* of the husband.

But this leads to two other questions that cry out for answers. We know that the horns of the *cuckold* are worn by the deceived husband, but why horns? One answer in mythology: that cheating Actaeon, a hunter, was turned into a stag by Diana.

The OED suggests that the horns come from the practice of planting spurs of a castrated rooster on the excised comb of another fowl, where they sometimes grew several inches long. This free service to pundits does not cover research into why 16th-century poets did this, but the German for *cuckold* originally meant "capon."

THE second question is more pertinent. Worldly-wise lexicographers know that adultery is not a one-way street. Is there a word to describe a wife who has been betrayed by her husband? *Wronged* seems weak. What is the cheating husband equivalent of the noun *cuckold*?

"Your reader was wrong about there being no word for a female *cuckold*," Barry Rein of Azusa, California, wrote to the Los Angeles Times columnist Jack Smith in 1989. "It is *cuckquean*. Look it up in the OED." There it is: "Ye make hir a cuckqueane" is the 1562 usage by John Heywood. In his 1922 novel, "Ulysses," James Joyce retrieved it from antiquity: "her gay betrayer, their common cuckquean."

Once again, English shows itself to be an equal-opportunity language.

New York Times Service

## HEALTH/SCIENCE

## A 'Sponge' for Global Warming

By Joby Warrick

Washington Post Service

KUTZTOWN, Pennsylvania — Not all dirt is created equal, even here in the famously fertile Pennsylvania Dutch Country. Some soils are merely good, while others are flat-out miraculous, such as the remarkably talented black loam at the Rodale Institute experimental farm.

This research center boasts an eight-acre plot of "super soil" that not only grows the finest corn and soybeans but also sucks pollution out of the air like a giant siphon. In a reverse of the "greenhouse effect," it drinks in carbon dioxide from cars and factories and stores it below the surface as carbon, the building material for future plants.

The secret lies not in soil but in farming techniques, and the possibilities the techniques raise are huge. Rodale scientists say a few simple practices, applied across the U.S. Corn Belt, could transform farms into carbon-dioxide sponges that sop up millions of metric tons a year of the chief greenhouse gas blamed for global warming.

"That's equivalent to the total carbon-dioxide emissions for countries like Iraq, Egypt, Greece, Denmark and Sweden," said Laurie Drinkwater, Rodale's U.S. program director.

A battery of studies in recent months has prompted policymakers to focus on the potential of farms and new farming techniques to help fight global warming by offsetting emissions from burning fossil fuels. Although much remains unknown, the research has climate experts buzzing about possible benefits for governments, industries and farmers, not to mention the environment.

Under a United Nations climate agreement approved last year, the United States and other industrialized countries would face mandatory cuts in their greenhouse gas emissions over the next decade. But if governments can take credit for the extra carbon captured by farms, the task becomes much easier and cheaper. Meanwhile, farmers could find themselves with a new cash crop: pollution-reduction credits that can be sold to electric utilities and other polluters.

The notion of a "green" solution to global warming has won backing in the administration of President Bill Clinton. At a 160-nation climate conference this month in Buenos Aires, American officials fought hard to put the issue on a fast track for international debate and research. Diplomats agreed to convene a special summit meeting this spring in Atlanta on agriculture and climate.

No small consideration for the White House is the prospect of winning Farm Belt support for the global climate treaty in the U.S. Senate, where the pact now

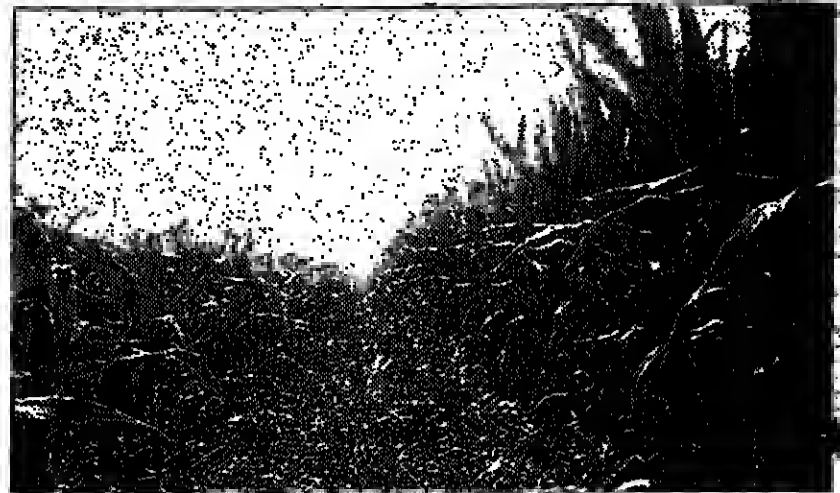
faces broad opposition. But so far, farming groups remain skeptical, and many environmentalists also are leery about trading away real, measurable emissions cuts for something that seems theoretical and much harder to quantify.

The split over agriculture is part of a larger debate over the role of carbon "sinks" in fighting global warming. Sinks are natural systems — forests are the best-known example — that soak up carbon dioxide from the atmosphere, locking it away for decades or centuries inside tree trunks, roots and other tissues.

Trees and crops naturally take in millions of tons of carbon from the air each year, but since the Industrial Revolution concentrations of man-made pollutants have risen faster than plants can absorb them. Last year's global warming treaty holds out the possibility that countries can

searchers alternated their corn crops with soybeans and other vegetables that are natural sources of nitrogen. They enriched the soil by applying manure to some fields and plowing under immature plants on others. Over the 15 years, the experimental plots performed at least as well as adjacent, conventionally grown crops, while the soil's carbon level soared. Meanwhile, the nitrogen losses were cut in half compared with crops that used commercial fertilizer, reducing the risk of contamination of nearby streams.

All these techniques can be integrated into any kind of farming system," Ms. Drinkwater said. In her latest study, published in last week's issue of the journal *Nature*, Ms. Drinkwater contends that a switch in farming practices in the major corn-producing states could reduce net carbon-dioxide emissions in



Corn grown in organic soil towers over plants stunted by drought.

create new sinks to meet part of their obligations for reducing emissions. Many governments like the idea, for obvious reasons: it is much cheaper and politically palatable to plant a forest than to impose new regulations on energy use.

The problem is, scientists do not fully understand how sinks work, or at least not well enough to establish common guidelines for measuring their effectiveness. A special UN science panel has been asked to settle the critical questions about forest sinks by 2000.

In the meantime, new research suggests that agriculture also could become an equally powerful sink. In a 15-year experiment at the Rodale Institute, Ms. Drinkwater and two colleagues discovered that they could dramatically increase the carbon content of soils by changing crop rotations and cutting back on chemical fertilizers.

Using techniques already familiar to thousands of organic farmers, the re-

searchers alternated their corn crops with soybeans and other vegetables that are natural sources of nitrogen. They enriched the soil by applying manure to some fields and plowing under immature plants on others. Over the 15 years, the experimental plots performed at least as well as adjacent, conventionally grown crops, while the soil's carbon level soared. Meanwhile, the nitrogen losses were cut in half compared with crops that used commercial fertilizer, reducing the risk of contamination of nearby streams.

All these techniques can be integrated into any kind of farming system," Ms. Drinkwater said. In her latest study, published in last week's issue of the journal *Nature*, Ms. Drinkwater contends that a switch in farming practices in the major corn-producing states could reduce net carbon-dioxide emissions in the United States by up to 2 percent. And that does not include lower emissions from farms themselves, which would burn less fuel and buy fewer chemicals.

S OMB experts project the potential net savings could be as high as 8.5 percent. Rattan Lal, a soil scientist at Ohio State University and a co-author of a new book on agriculture and global warming, said farms can roll back emissions substantially just by adopting well-known soil conservation practices, such as reducing plowing, using cover crops in winter and preserving buffer strips of trees along river banks.

"We can decrease the carbon content in the atmosphere and at the same time improve the quality of the soil — and at the same time improve the environmental quality," Lal said. "We have a win-win situation here."

## BOOKS

ISAIAH BERLIN

A Life

By Michael Ignatieff. Illustrated. 356 pages. \$30. Metropolitan Books/Henry Holt & Co.

Reviewed by Richard Bernstein

FOR an intellectual never to have written a major book, a magisterial treatment of some large subject, would normally be a disqualification for the Great Thinkers' Hall of Fame, measured by things like frequency of mention in The New York Review of Books.

But when Isaiah Berlin died last year at 88, it was clear from the testimonials, his knighthood, his long list of prizes and the endurance of his influence that a major figure had passed from the scene; this despite the fact that Berlin wrote mostly essays and gave lectures, leaving behind a rather meager production of books.

In this admirable, clearheaded and readable biography, Michael Ignatieff explains not only why Berlin is celebrated, but also why the celebration is justified. Berlin's best-known essay was probably "The Hedgehog and the Fox," in which he breaks down writers and thinkers into two categories: those who know many things (foxes) and those who know one big thing (hedgehogs). Berlin, Ignatieff writes, seemed at first glance to be "an archfox — nimble, cunning, quick-witted, darting from subject to subject, eluding pursuit."

In fact, Ignatieff continues, Berlin's contribution involved his mastery of one big thing, namely "the theme of freedom and its betrayal." His place in the 20th-century pantheon of political philosophers came from the clarity and the narrowness of his concept of freedom, forged in the experience of freedom's battle with fascism and communism.

The most important of Berlin's essays in this sense is "Two Concepts of Liberty," delivered first as a lecture at Oxford in 1958. That essay distinguished between "negative liberty," which is letting people alone, and "positive liberty," which, while theoretically aimed at emancipating human po-

tential, has ended up putting coercive power into the hands of despots.

In describing Berlin's contribution, Ignatieff has produced a model biography of the man of ideas. He lucidly explicates Berlin's work even as he draws a lively and vivid portrait of a major figure whose crooked path from Russian obscurity to Oxfordian fame was full of events, encounters with interesting others and even a bit of skulduggery.

Berlin was born in Riga, Latvia, in 1909 to a family of prosperous timber merchants, and while he experienced at close hand the upheavals of war and revolution, he escaped almost all terrible personal hardship. After a short time in St. Petersburg following the Bolshevik seizure of power in Russia in 1917, the Berlin family emigrated to England.

Berlin, who was 12 at the time, was overweight and Jewish and spoke no English; problems in the England of that era. Soon, however, he had become a charmer, a talker with a knack for epigrams and an ability to insinuate himself into powerful circles. "He became a master at fitting in," Ignatieff writes, "at the price of lingering self-dislike."

Berlin went on to a brilliant career at Oxford, election to a prestigious fellowship at All Souls College (the first Jew in the school), and friendships with a glittering cast of characters. Ignatieff describes revealing meetings and exchanges with, among many others, Victor Gollancz, Virginia Woolf, T.S. Eliot, David Ben-Gurion, Ludwig Wittgenstein, Sigmund Freud, John Maynard Keynes, Boris Pasternak, John F. Kennedy and Winston Churchill.

Some of Berlin's friendships and encounters came out of his rapid rise into the intellectual stratosphere. He was not only a popular teacher and lecturer at Oxford but also a regular on the British Broadcasting Corp., which broadcast many of his speeches. He also came to the attention of the British-U.S. political elite by spending World War II in Washington, reporting to London on U.S. politics and public opinion while, in semiclandestine, near double-agent fashion, advancing the cause of Zionism.

The most moving encounter recounted by Ignatieff was that between Berlin and the great Russian poet Anna Akhmatova. Berlin, who had the advantage of speaking Russian, was sent to Moscow in 1945 to write a report on Soviet foreign policy. Instead, he wrote the first detailed report on Stalin's war against Russian culture, one infused with a tragic understanding of the terrible fate of the Russian literati under Stalin. He met three times with Akhmatova, who lived under constant surveillance in Leningrad and was "consigned to darkness and purgatory" by Stalin and his henchmen, partly as a result of those meetings.

Berlin's experience with Akhmatova and the other Russian poets, who always "remained the gold standard, the touchstone of moral integrity" for him, stayed with him and became the essential element in his formulation of the two concepts of liberty.

A wise restraint is central to Berlin's thinking, an acceptance of the fact that tragedy inheres in all choice, because there is no choice that leads to the solution of all problems. An anti-utopian point of view, in other words, required a certain resignation to social imperfection and the conviction that the first task of government is similar to the first task of physicians, to do no harm.

What the age calls for, Berlin wrote, "is not (as we are often told) more faith, or stronger leadership, or more scientific organization." He continued, "Rather it is the opposite — less Messianic ardor, more enlightened skepticism, more toleration of idiosyncrasies." Or, as Ignatieff summarizes, "It was individual freedom, to choose well or ill, which had to be defended, not some ultimate vision of the human good."

This basic idea, this one big thing, was attacked on all sides for justifying a kind of right-wing laissez-faire, for failing to condemn harshly enough the atrocities of communism. But it would be difficult in light of the experience of the century to come up with a clearer and more humane political credo than the one we owe to Isaiah Berlin.

New York Times Service

## BRIDGE

By Alan Truscott

IN BRIDGE post-mortems, the name of the game is blame.

Sometimes the verdict requires subtle analysis, as on the diagrammed deal played in the Tri-State Regional Championships in Rye, New York, in January.

Study the defense and decide whether any blame should attach to East or West after the given opening lead.

West's four-diamond opening was based on the favorable vulnerability.

If he had been allowed to play there, he would have failed by one trick since the diamond 10 is sure to score. But South naturally tried five clubs, and East doubled with some confidence.

A diamond lead would have settled the issue, but West, not unreasonably, led his singleton heart. This was ducked around to the queen, and South worked on trumps.

After much thought, East returned the heart king. The declarer was Michael Camp, and he solved the problem by taking the ace, cashing one more trump, and taking the king of diamonds. The ending was as shown at right.

When South led a diamond, East was caught in a trump squeeze. Whichever suit he discarded would give the declarer his 11th trick.

When East led the heart king, he had no way out. But as Camp pointed out later, both defenders had gone wrong at an earlier point. West would have saved the

day if he had played the spade 10 when that suit was led. And East would have prevailed if he had led a heart after taking the club ace and continued with a second heart after regaining the lead.

That would have destroyed South's squeeze chances.

WEST (D) EAST  
 ♠ K 8 5  
 ♥ J 6 4 3  
 ♦ A 10 4  
 ♣ 6 2

WEST (D) EAST  
 ♠ A Q J 7 6  
 ♥ 5  
 ♦ K J 8 7 5 3 2  
 ♣ 7

SOUTH  
 ♠ 2  
 ♥ A Q J 2  
 ♦ K 8  
 ♣ K Q J 10 5 4

North and South were vulnerable.

The bidding:  
 West North East South  
 4♠ Pass Pass 5♣  
 Pass Pass Dbl. Pass  
 Pass Pass  
 West led the heart five.

## IN THIS WEEK'S ISSUE

- The alliance of AOL/Netscape/Sun — The new cyber order
- Russian Mafia targets Central Europe
- Will Finance Ministers raise taxes in Europe?



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## HEALTH/SCIENCE

TOMORROW  
STYLE

### The End of Injections?

By Justin Gillis  
Washington Post Service

**W**ASHINGTON — Frank Rabanzo, a mechanic for a utility company, pulled into a Denny's restaurant with his family not long ago. He is a diabetic and needed insulin before he could eat a hamburger. For many diabetics, that would have meant sneaking into the bathroom and jabbing a needle into a thigh.

Not for Mr. Rabanzo. He whipped out a little aerosol device, breathed some white powder into his lungs, and moments later was ready to eat. "I got a few looks," he said, "but for all anybody knew I was taking my asthma medicine."

As one of just a handful of people in America using insulin inhalers, Mr. Rabanzo is on the cutting edge of medical technology. But he may not be alone for long. Several companies are working to bring such inhalers to market.

The inhalers are only one small part of a broader trend: Companies are spending billions to find creative new ways to get drugs into the body.

They are developing patches with tiny batteries in them to push drugs through pores in the skin. They are selling nearly painless injectors that look like small pens. They are designing "smart" pills that release medicine in response to signals from the body. To lessen side effects, they are coating drugs with microscopic fat layers that dissolve when the compound reaches its target in the body.

They are creating fruits and vegetables that people would eat to gain immunity from common diseases. They are trying to formulate vaccine gels that could simply be rubbed on the skin, a potential breakthrough for any child afraid of shots and possibly a lifesaver in poor countries.

Some of this research goes back decades, but it has reached a torrid pace lately as scientists take advantage of new insights into the way the body works. A pharmaceutical industry publication, *MedAdNews*, recently counted 106 public companies around the world involved in such research. "Drug delivery" has become one of the hottest branches of pharmaceutical science.

Revenue is rising fast at many of these companies as their work finally begins to pay off. The investment firm SEC Warburg Dillon Read Inc. has projected that sales of products using novel drug-delivery techniques will go from less than \$10 billion in 1995 to nearly \$40 billion in 2005.

The research promises to change the lives of people all over the world, starting in places like Temple, a town on the plains of central Texas. There, researchers are spraying a new influenza vaccine up the noses of

children in hopes of showing that flu transmission can be shut down in an entire city.

Flu is perhaps the only remaining illness that is capable of sweeping around the planet and killing millions. Yet many people will not take flu shots, partly because shots hurt. Replacing them with a nasal vaccine could become an important weapon. Children are thought to be prime agents in transmitting flu, so immunizing most of them might protect a whole community.

The underlying goal is to develop practices that could be used in the face of a pandemic," said Paul Glezen, a Baylor University epidemiologist leading the Temple study. "When that happens, there's going to be a limited amount of time to deliver a lot of vaccine."

The nasal vaccine, based on decades of work funded by the U.S. military and the National Institutes of Health, is under commercial development by Aviron, a Mountain View, California, company. It is probably several years from final approval, though so far it seems to work well.

It is not the only effort to design friendlier vaccines. In a laboratory in Washington, doctors are testing a gel that can be swabbed on the arm and is designed to penetrate the skin and induce immunity to a germ. If the preliminary results hold up in more advanced tests, mass vaccination campaigns in poor countries could become more practical.

**M**UCH OF the work on this gel vaccine was done at the Walter Reed Army Institute of Research. The discoverer of the technique, Gregory Glenn, has formed Iomai Corp. in Washington to try to commercialize it.

The technique involves mixing standard vaccines with a poison produced by germs. On the surface of the skin the poison does no harm, but it does seem to wake up the immune system and prompt it to react aggressively to the nearby vaccine molecules. The technique works well in animals and has entered the early stages of human testing.

Iomai has yet to sell shares to the public, but a half-dozen large pharmaceutical companies have beaten a path to its door, eager to have access to the technology if it holds up.

Dr. Glenn, who published news of his research in the journal *Nature* in February, emphasizes the need for extensive testing. But he says the possibilities are exciting, especially for poor countries where there are not enough doctors, nurses or clean needles to mount mass immunization campaigns. Gel-based vaccines might be so easy to use that village healers could be taught to administer them.

"It waves in your face this possibility of eradicating diseases," he said.

### Redwoods in the Fog

Mighty Trees Appear to Water Their Habitat

By Carol Kaesuk Yoon  
New York Times Service

**N**EW YORK — Always an awe-inspiring sight, the giant redwoods that tower along the California coast are perhaps at their majestic best on foggy days, when these ancient, among the botanical wonders of the world, can be glimpsed through wisps of swirling mist.

But now scientists are learning that fog among the redwoods is more than just picturesque. They believe fog may be crucial to the well-being of these rapidly disappearing forests and an answer to the long-pondered question: Why are redwoods the tallest trees on Earth?

Scientists have long known that when fog rolls into a redwood, water suspended in the fog begins dripping down the tree's limbs, needles and trunk. But in a study to be published in January in the journal *Oecologia*, Todd Dawson, a plant ecologist at Cornell University and the University of California at Berkeley, has shown that this curious mechanism can provide an immense amount of water to the trees — and to the ground around them.

The study overturns a major piece of ecological dogma, that plants steal water rather than contribute it to a habitat.

In one foggy night, a single redwood can douse the ground beneath it with the equivalent of a drenching rainstorm and the drops off redwoods can provide as much as half the water coming into a forest over a year.

In fact, Mr. Dawson concluded, the redwoods' ability to draw water from fog appears crucial in maintaining the wet climate that they and so many other species, some endangered, thrive in.

"Plants aren't passive players out there," Mr. Dawson said. "They're active in influencing their own environment. I've never been

more wet in my life than I have been in the redwood forest during a major fog event. You're soaking wet when you're underneath one."

Kathleen Weathers, a forest ecologist at the Institute of Ecosystem Studies in Millbrook, New York, said: "This is really important, not just for redwoods but for the other plants. If you cut the redwoods down, you take away that structure that can intercept the fog and the water will pass right by."

Conservationists working to save these charismatic trees, which can inspire people to extremes of impassioned zeal, have long argued that fog drip is vital not only for plants but for endangered animal species, as well as the people who struggle to maintain water supplies in habitats that can see little or no rain in the summer. Coastal redwoods, or *Sequoia sempervirens*, are found patchily mostly along the California coast and into southern Oregon.

Working in Northern California, Mr. Dawson measured the water dripping off redwoods and off artificial fog collectors in forested and deforested areas. He found that redwoods are extremely efficient producers of fog drip. In deforested areas, which warm up and dry out quickly, it is much more difficult to capture water from fog.

Mr. Dawson also took advantage of the fact that not all water is created equal. Hydrogen and oxygen, the two components of water, come in different forms, or isotopes. Fog water and rainwater can be distinguished from one another by the varying ratio of isotopes they contain.

Studying the isotopes in water in different plants, Mr. Dawson found that fog drip was an important source of water to redwoods as well as many other plants. He said sword ferns were at times entirely dependent on the water coming off redwood trees.

With redwoods thriving in

a wet environment and thriving redwoods making the environment wetter, the interaction forms a positive feedback loop. Mr. Dawson said even the handsome structure of a redwood itself may help with this feedback. Redwoods may have evolved their structure of many branches and an array of fine needles over the aeons because the complex structure so efficiently strips fog.

"This is a story that gets repeated in a lot of different environments around the world," Tom Hinckley, a forest biologist at the University of Washington, said of the interaction between fog and trees. "Until now these fog phenomena have been largely discounted."

For local activists who live in and around redwood forests, scientific confirmation of their theories was good news.

"When you clear cut, you don't have any input from the fog," said Els Cooperider, a redwood conservationist and radio talk-show host, who said she has made "fog drip" a household word in Mendocino County. "One of the reasons so many people around here have begun to listen to this phenomenon of fog drip is that they've seen their wells and springs dry up."

**P**AUL CARROLL, a lawyer for Friends of the Old Trees, a conservation group in California, said the group had already used fog drip as an argument to stop logging. Twice the group prevented cutting in a redwood forest using the objection that the loss of water from fog drip was not addressed adequately in the logging plans that had been submitted.

Conservationists are fighting a difficult battle. Researchers say only 4 percent of the original redwood forest remains standing and a single old-growth redwood can contain wood worth hundreds of thousands of dollars.

Mr. Dawson said it remained an open question



Redwood trees in California's Headwaters Forest.

whether the fog water he studied replenished streams or ground water. Among those eager for answers are biologists interested in the fate of endangered species like the coho salmon, whose streams run through redwood forests before reaching the sea.

"I can see this being hugely important," said Terry Roelofs, a salmon stream ecologist at Humboldt State University in Arcata, California, explaining that the time coho spend in shallow, drying streams in the summer can be a crucial bottleneck for these fish. "If fog drip contributes to stream flows, that would be a real plus for these animals," he said.

In a new book on redwoods scheduled to be published next fall by Island Press, Mr. Dawson has contributed to an article that suggests that the ability of redwoods to keep their environment so moist with fog water may reduce the rate at which they lose water

and the rate at which water must move up through them, thereby reducing the water demands that keep other plants from growing to such great heights.

In addition, he said it was possible that redwoods were taking in fog water through their foliage, an ability that could greatly reduce their need to move quantities of water upward.

Reed Noss, co-director of the Conservation Biology Institute and editor of the forthcoming volume on redwoods, said that understanding the relationship between fog drip and the stupendous height of redwoods was more than a mere curiosity.

"It tells us something about restoration," Mr. Noss said. If it is the presence of a lot of big, fog-stripping redwoods that allows redwoods to soar skyward, he asks, "Once we deforest a site, will we ever be able to grow these giants back?"

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## INTERNATIONAL

## Israeli Cabinet Seeks Strikes In Lebanon as Troops Stay

The Associated Press

JERUSALEM — Israeli cabinet ministers called Sunday for military strikes against Lebanese power and water supplies in retaliation for the killing of Israeli soldiers by Islamic guerrillas in southern Lebanon.

The cabinet made no decision on whether to alter Israel's 13-year presence in southern Lebanon.

Seven Israeli soldiers have been killed in the past two weeks by the Hezbollah militia in the security zone that Israel occupies in southern Lebanon to protect its northern border.

The latest deaths fueled public calls for a reassessment of policy. Prime Minister Benjamin Netanyahu cut short a European trip to deal with a growing debate over the losses in Lebanon and calls for a unilateral Israeli withdrawal.

The 12-member cabinet security panel met in Jerusalem for four hours Sunday to hear military and security chiefs report on the Lebanon situation after Mr. Netanyahu returned from visiting soldiers wounded in the latest fighting.

Military officials told ministers they did not recommend a withdrawal from southern Lebanon without some kind of negotiated arrangement with the Lebanese government, an Israeli television network reported.

The cabinet agreed to tour the border area to better understand the security situation, the report said.

### New Pressure for Withdrawal

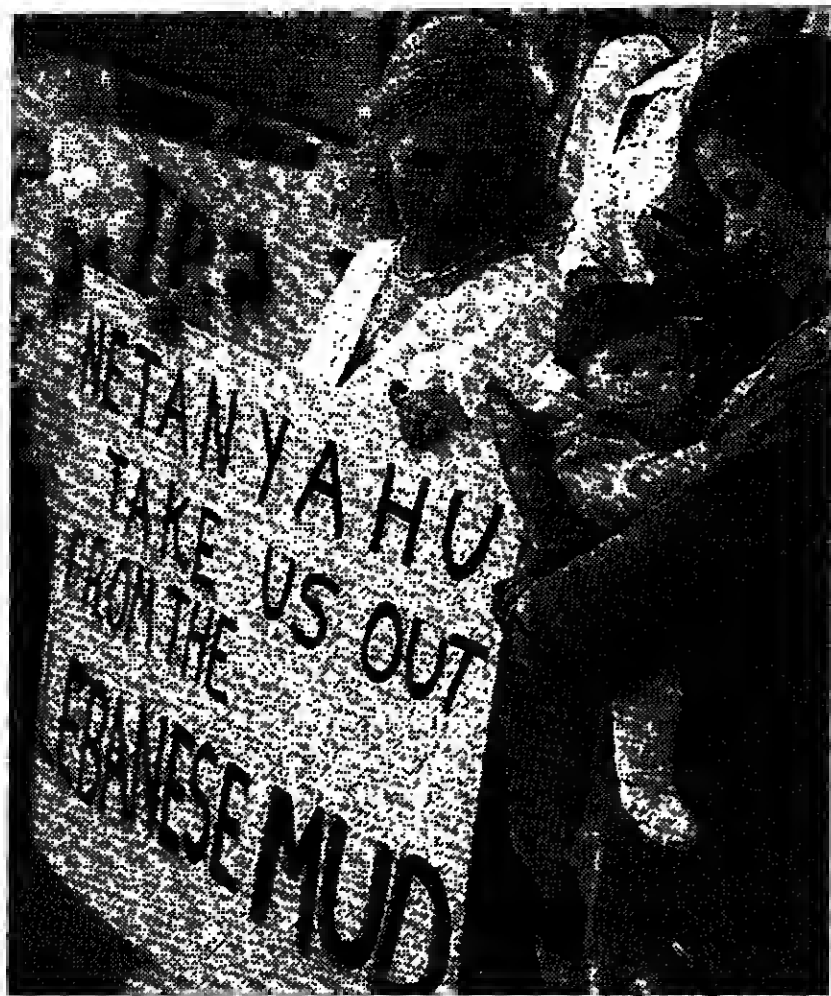
Lee Hockstader of The Washington Post reported earlier from Jerusalem:

The deaths of seven Israeli soldiers in southern Lebanon in the past two weeks have produced a crisis atmosphere here and pushed the option of a unilateral Israeli withdrawal, nearly unthinkable until recently, onto the government's agenda.

While the rate of combat casualties this year in southern Lebanon — 20 so far — is in line with that of previous years, there is a sense that the number is no longer politically sustainable.

Polls suggest that growing numbers of Israelis, anguished by the steady trickle of dead and wounded, simply want out. Some prominent Israeli politicians also have spoken in favor of a pullback.

In the near term, the more likely course of action may be intensified Israeli retaliation against Hezbollah, which has battled the Israeli Army there



Israelis in Jerusalem on Sunday protesting their nation's presence in Lebanon

to a low-intensity draw.

Israeli television reported that the Lebanese government has appealed for U.S. intervention to prevent further Israeli air strikes and artillery barrages against Lebanese targets.

Mr. Netanyahu has given no sign that he supports a unilateral withdrawal, although he said he would not rule it out.

"We've been in Lebanon for the past 20 years," he said Friday in London before cutting short his European trip to return home after the fourth Israeli soldier died within 24 hours in southern Lebanon. "Apparently it's not easy to leave Lebanon, and the reason is simple: We are there to protect the north of the country."

But support for a withdrawal has come from unexpected quarters. In a meeting with foreign ambassadors Tuesday, Foreign Minister Ariel Sharon said he favored a gradual Israeli pullback.

He said the withdrawal should be coupled with a warning to the Lebanese that any raids into northern Israel would be answered with severe retaliatory strikes.

Most of the Israeli deaths in Lebanon have resulted from roadside bombs and

ambushes, which Hezbollah has executed with increasing sophistication in recent months.

Some bombs, including one that killed two Israeli soldiers last week, have been planted and set off within several hundred yards of the Israeli-controlled security fence that marks the Israeli-Lebanese border.

"Praise the Lord that the technical capabilities and the executive capabilities of the young members of the Islamic resistance have reached a point where they can overcome all obstacles the enemy tries to present them with," said Hussein Halil, a Hezbollah leader in Lebanon who was shown on Israeli television.

The Israelis have struck back at Hezbollah with frequent air strikes, artillery bombardments and ambushes.

Israel says it has inflicted nearly three times as many casualties on Hezbollah guerrillas as it has sustained this year, which would put the Hezbollah death toll at about 60.

"Anyone looking for easy solutions should remember there are no magical ones," said Lieutenant General Shaul Mofaz, the Israeli Army chief of staff.

## SADDAM: Arab Relations With Iraq Chill

Continued from Page 1

tion down on the region by sooner or later provoking a U.S. attack, and concern for the fate of the Iraqi people appear to be turning Arab opinion against him. His willingness to push Iraqis into the range of U.S. missiles and bombers has also disturbed some UN officials.

Some diplomats wager that the Clinton administration may have sensed this mounting disenchantment with Iraq and made it a calculation in two decisions two weeks ago. The first was the decision not to alienate Arabs anew by killing Iraqis after Mr. Saddam appeared ready to capitulate and allow international inspectors to work. The second was Mr. Clinton's public call to the Iraqi opposition to overthrow Mr. Saddam.

Having to watch his back, is the Iraqi president now more vulnerable at home? Western diplomats and officials who would like to believe that he is say that they have no strong new evidence that he is in danger. Still, there is known to be some dissent within the Iraqi Army.

"Soldiers have families, too, and they see what this man is doing to people," an exile who was afraid to give his name said last week.

The question of how secure Mr. Saddam is arose in new force last week when his second-in-command, Izzat Ibrahim, escaped assassination in the southern Shiite city of Karbala. In the days that followed, Iraqi newspapers hinted that Iran, with its Shiite leadership and a centuries-long enmity with Sunni-led Iraq, might have been behind the grenade throwers who tried to kill Mr. Ibrahim, the president's deputy on the Revolutionary Command Council.

For several days last week, Iraqi leaders and the Iraqi media were pleading openly with the Arab world not to abandon Iraq "and damage the Arab nation." The call came, diplomats said, as the importance of an Arab warning to Mr. Saddam several weeks ago began to sink in.

On Nov. 12, two days before Iraq

withdrew its ban on arms inspections, eight Arab nations — Egypt, Saudi Arabia and Syria among them — said in a public statement that resounded around the Middle East that if the Americans struck, Mr. Saddam would bear the responsibility for exposing the Iraqi people to new levels of misery.

In 1990, after the invasion of Kuwait, a summit meeting of Arab leaders in effect gave the go-ahead to the U.S.-led coalition to wage war on Iraq. But Arab nations have always stopped short, at least publicly, of advocating the overthrow of Mr. Saddam. The idea of a Western nation — the United States or Britain — overthrowing an Arab leader is inflammatory in itself, and stirs up too much history.

Last week, however, President Hosni Mubarak of Egypt was not afraid to talk about a change of regime in Iraq as long as it came from within and not from British and U.S. intelligence agencies.

"Let's be realistic," Mr. Mubarak said in an interview with *Le Figaro*, a French newspaper. "These projects won't get anywhere. Anyone who knows Iraq knows that no action will succeed if it isn't led from the interior, by people living in Iraq."

A European diplomat said that the world was probably still far from seeing any organized resistance emerge in Iraq to topple Mr. Saddam, at least not in a decisive way. More likely, some Western experts fear, would be a messy collapse into brutality — "like the end of Ceausescu in Romania," a diplomat said.

Moreover, there is no orderly succession evident. Mr. Saddam has allowed no other Iraqi to build a political base. Most observers agree that his two sons, Uday and Qusay, are despised. Abbas Mehdi, an exile who is active in democratic Iraqi dissident movements in the United States, said that if Mr. Saddam were to die today, naturally or violently, "within 30 minutes, his sons would be chopped into 10,000 pieces."

## Iraqi Envoy Heads Home

Reuters

GENEVA — President Saddam Hussein's half-brother, Barzan Tiktiri, left Geneva on Sunday aboard a flight for Amman, saying that he would travel on to Baghdad, witnesses said.

Mr. Barzan, a former Iraqi intelligence chief and Iraq's envoy to the United Nations European headquarters in Geneva for the past decade, had previously declined to return to Baghdad despite having been recalled, Arab diplomats said.

Mr. Barzan is also the former father-in-law of Mr. Saddam's son Uday, with whom he is widely believed to be on bad terms.

Iraqi exiles say that Uday has been linked to the killing of two other relatives of Mr. Saddam when they returned from Jordan to Baghdad three years ago after seeking asylum abroad.

Because he resigned as Iraq's UN envoy in August, Mr. Barzan's formal permission to stay in Switzerland was to expire Monday. Last week, Mr. Barzan's wife died of cancer in a Swiss hospital.

In an interview with the London-based daily *Al-Awsat* last month, Mr. Barzan denied reports of a rift with the Iraqi leader.

But last week, an Arab diplomat, who asked not to be identified, said: "His relations with home are not warm. They have been cut since the Gulf War."

A Swiss Foreign Ministry spokeswoman said she had no information about Mr. Barzan's departure.

A Swiss federal official said last week that Geneva authorities were considering a request from Mr. Barzan's six children to remain in light of their mother's recent death.

## SWISS: Voters Turn Down Proposal for Legalization of Narcotics

Continued from Page 1

drugs to be drawn up next year.

"There's a big gap between the legal regulation of cannabis and reality," Mr. Zeltner said. "We need to take some steps." He noted that solutions for consumption might be different from those for cultivation and sale of cannabis.

Unlike many other European countries, Swiss authorities pursue and punish cannabis use, although not too successfully. Marijuana can frequently be smelled in smoking compartments on trains. And, in the past three years, some 150 shops have sprung up around

Switzerland selling little bags of dried cannabis leaves with "not for consumption" labels, and daring authorities to prosecute.

The country's law prohibits the substance only when smoked, which put law enforcement officials in a quandary. In the last month, they have begun cracking down on the shops. But the Swiss cannabis dilemma also stems in part from the fact that hemp has been widely grown, and used for various products, in the country for decades.

The rejected initiative would have amended the constitution to say: "The consumption, cultivation or possession

of drugs, and their acquisition for personal use, is not punishable."

The government campaign had warned that the proposal would give unfettered access to drugs and attract drug tourists looking for easy availability. Instead of eliminating the black market, it would have created a new illegal drug trade and severed Switzerland's ties to international police assistance, Mr. Zeltner said.

Also Sunday, voters approved spending about \$22 billion to modernize the national rail system and build two new tunnels through the Alps to speed north-south truck traffic.

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## Cuts in Jobs Are Awaited At Deutsche

German Bank May Bear Brunt of U.S. Acquisition

Compiled by Our Staff From Dispatches

**NEW YORK** — As Deutsche Bank AG prepared to announce approval of a \$9.67 billion acquisition of Bankers Trust Corp. on Monday in Frankfurt, employees and investors awaited word on several important issues.

Chief among those issues is how many employees would be laid off as part of the transaction. Executives involved in the merger negotiations said administrative staff would be cut back to reduce overlapping back office functions.

At the managerial and executive level, there are expected to be layoffs among Bankers Trust employees in Europe and Deutsche Bank employees in the United States.

Analysts have predicted that as many as 3,000 jobs could go at the combined entity, notably in London and New York.

A member of the Deutsche Bank management board, Juergen Krumm, said the acquisition would lead to job losses in the bank's fixed-income and equity businesses in both centers.

Deutsche Bank, which employs about 2,000 people in the United States, is expected to bear the brunt of job cuts there, because Bankers Trust would probably form the core of the German bank's U.S. investment banking business.

Financing also remains unclear. In a statement last week, Deutsche Bank and Bankers Trust said the \$9.3-a-share purchase would be in cash, but it was not clear whether Deutsche Bank would dip into its own ample reserves for the acquisition or seek other ways of raising the money.

Deutsche Bank said Wednesday that it was not planning to sell its 12 percent ownership stake in DaimlerChrysler AG — the new company created by the merger of Daimler-Benz AG and the Chrysler Corp. Lawyers in the United States who are specialists in American banking law said that the bank's stake in DaimlerChrysler would not pose regulatory problems for Deutsche Bank in the United States.

While it was also known that Deutsche Bank executive, Josef Ackermann, and the chairman of Bankers Trust, Frank Newman, would jointly oversee the new investment banking unit created by the merger, the structure and locations of the rest of the business were not yet clear.

Both companies' boards have given preliminary approval to the merger. On Sunday the boards were expected to sign off on tax and legal issues. After the Bankers board votes on Sunday, Mr. Newman will fly to Frankfurt for the Deutsche board's vote.

The transaction would be the largest acquisition by a foreign bank in the United States. Deutsche Bank, the world's largest securities firm, with \$850 billion in assets, and the world's fourth-largest fund manager.

(NYT, Bloomberg, Reuters)



IG METALL GOES FOR 6.5 PERCENT — Klaus Zwickel, left, chairman of the IG Metall union, reaching past Chancellor Gerhard Schröder to greet Dieter Schulte, president of the DGB labor federation, before IG Metall's annual meeting Sunday in Mannheim, Germany. The union said it would seek a 6.5 percent increase in compensation for its 3.4 million members, the largest rise in eight years, in negotiations starting Dec. 7.

## Phantom Tax Threat Stalks the EU

British Press Whips Up Frenzy Against an Old 'New Manifesto'

By Barry James  
International Herald Tribune

**BRUSSELS** — A specter is haunting the European Union: higher taxation across the board, imposed by the unseen hand in Brussels.

But on closer examination, this "phantom" appears to be not much more than a phantom.

A storm blew up last week when the Austrian finance minister, Rudolf Eisinger, introduced a Socialist manifesto called "The New European Way."

The manifesto was, in fact, old: It was drafted in February, has been available on the Internet since the spring and was approved by most European finance ministers in October.

It contained a reference to "tax-policy coordination," which stated that governments should "avoid harmful tax competition." Like the German finance minister, Oskar Lafontaine, Mr. Eisinger raised the possibility that the European single currency would create pressure to align taxes and wages.

That was enough to send Britain's notoriously Europhobic national newspaper into a feeding frenzy, with accusations that "Brussels" was attempting to impose outrageous new tax burdens.

The fears were exaggerated, however. Even with a single currency, tax policy will remain strictly the responsibility of national governments.

This is not to rule out some degree of "harmonization" on items such as company tax loopholes or a minimum level of taxation of savings accounts.

Such moves could, indeed, increase taxes for some Europeans.

These ideas have been knocking around for a year. But Fleet Street last week suddenly sniffed a Continental plot.

Putting a name to it, the tabloid The Sun slapped a large photograph of Mr. Lafontaine on the front page under the headline, "IS THIS the most dangerous man in EUROPE?"

The paper said that Mr. Lafontaine's ideas would mean raising corporate and personal income taxes in Britain and extending value-added tax to many items that currently are exempt.

Faced with the media onslaught, Britain's chancellor of the Exchequer, Gordon Brown, told a news conference in Brussels that tax harmonization was not the way forward for Europe and insisted that he would use his right of veto to scotch any tax proposals emanating from Brussels.

But he omitted to say that his signature was on the Socialist manifesto. Or that one of his deputies, the financial secretary to the Treasury, Dawn Primarolo, was chairman of an EU group that is studying the question of harmonizing company taxes. Or, for that matter, that he is about to sign an agreement for an EU-wide tax on electricity, gas and coal consumption.

The European commissioner in charge of taxation and the single market, Mario Monti, attempted to douse the flames by denying that there was any EU design to raise taxes for European citizens.

But Mr. Monti said there were some clearly identifiable distortions that made tax collection less than efficient.

"There is no question of increasing the overall tax burden," he said. "On the contrary, we believe that we should gradually lower the tax burden, but we must assure that taxes are fair and transparent."

Austria, which currently holds the rotating EU presidency, found that it could increase the yield from its corporate tax without increasing the rate by eliminating loopholes, and Mr. Eisinger has been eager to sell the idea to the community at large.

At their Luxembourg summit meeting a year ago, EU leaders agreed on a code of conduct for business taxation, and Mrs. Primarolo's loophole-busters have been busy for months seeking arcane abuses.

In a report this month, the European Commission, the EU's executive agency, said it was satisfied that member states had introduced no new distortions since the code of conduct was agreed upon. The code "already is bearing fruit," Mr. Monti said.

At the same time, the commissioner responsible for competition policy, Karel van Miert, has told member governments that he will adopt strict rules on tax havens, making them ineligible for government support unless they can be shown to contribute to regional development and not create significant tax losses in other countries.

Watchful of any move that could be interpreted by Europeans as a call to common taxation, government leaders last month shot down a proposal from the president of the European Parliament, Josep Maria Gil-Robles, to earmark a portion of income taxes to the running of the EU.

He said his purpose was merely to show Europeans how little they pay for the Union in per-capita terms — less than the price of a cup of coffee per day.

But governments were clearly concerned to head off any suspicion they were planning a joint tax rise.

Mr. Monti said he was not offended by Mr. Brown's rejection of tax harmonization because "that is our line also" — although the commission is supporting a proposal to tax income from bank accounts and international securities held by EU residents.

Countries like Germany complain they lose huge amounts of revenues to tax havens like Luxembourg, which opposes the proposal.

And Britain has warned it will veto this proposal unless Eurobonds are exempted — London, of course, being the capital of the Eurobond trade.

## Malaysian Economy Contracts by 8.6%

'Downward Spiral' Has Not Stopped Yet

By Thomas Fuller  
International Herald Tribune

**KUALA LUMPUR** — Malaysian economic output fell by 8.6 percent in the third quarter compared with the period a year ago, its worst performance ever, dashing hopes that stimulus measures carried out this year had helped stem the economic slide.

"The downward spiral has not been arrested yet," said Mohamed Ariff, executive director of the Malaysian Institute of Economic Research. "I think there will be a massive contraction this year."

Officials at Bank Negara, the central bank, were more hopeful. "The latest indicators suggest the contraction in the economy has bottomed out," the bank's governor, Ali Abul Hassan Sulaiman, said after the figures were released Saturday. The economy expanded by 2.3 percent when compared with the second quarter, he said, adding that car sales rose, banks were lending more and exports sharply increased in September.

It was the third consecutive quarterly contraction in gross domestic product compared with the corresponding period last year. The economy shrank by 6.8 percent in the second quarter and by 2.8 percent in the first quarter.

Malaysian economic performance has been closely watched around the region since June, when the country broke with the orthodoxy of the International Monetary Fund and abandoned austerity measures in favor of a stimulus package. The government has been prodding banks to increase lending and has used cash from its national provident fund and the state oil company to help relieve troubled companies of their debt.

The country also imposed controls on its currency, allowing it to lower interest rates while protecting against capital flight. Analysts said it was too early to judge how the controls had affected growth — they were imposed in September, the end of the third quarter. The government says the controls — which fixed the value of the dollar at 3.8 ringgit — have lifted currency reserves and helped restore market stability.

Some analysts are more skeptical. "All the positive effects of the policy, like low interest rates, trade surpluses and increased reserves, are also taking place in other countries where there are no capital controls," Mr. Ariff said.

Although there are signs throughout Southeast Asia of economic recovery, such as buoyant stock markets and rising



Ali Abul Hassan Sulaiman, the head of the central bank, is hopeful.

car sales, third-quarter data have been universally negative. Hong Kong's economy contracted at a 7 percent annual rate, South Korea's shrank at a 6.8 percent rate and Indonesia's shrank at a 17.4 percent rate, while the Philippine economy contracted 0.1 percent in the third quarter from the second, and Singapore's shrank 0.7 percent. Thailand does not issue third-quarter data, but analysts have estimated the economy will contract by more than 7 percent this year.

Most worrying for Malaysia are investment data. While proposals for new investment are increasing in South Korea and Thailand, they have plummeted in Malaysia. Investment proposals dropped 57 percent in the first nine months of the year, according to the Malaysian Institute of Economic Research. Local investment proposals dropped by 72 percent, and foreign direct-investment proposals fell 28 percent.

Meanwhile, there are signs that Malaysia may change its peg to the dollar if currencies in neighboring countries continue to appreciate. In recent weeks, the Philippine peso, the Thai baht, the Indonesian rupiah and the Singapore dollar have all risen sharply against the U.S. dollar.

Prime Minister Mahatir bin Mohamad last week told members of the Japanese Keidanren, or Federation of Economic Organizations, that Kuala Lumpur would consider the changing the peg only if regional currencies moved 20 percent "either up or down." Kunagaki Naohiko, vice chairman of the Keidanren, told Bridge News.

## France Telecom to Offer Small Investors More Stock

Compiled by Our Staff From Dispatches

**PARIS** — The Finance Ministry, buoyant from the enthusiastic reception investors gave the sale of a second installment of France Telecom shares, said Sunday it would increase the number of shares earmarked for private individuals at the expense of institutional investors.

Nearly 3 million people signed up for shares, eager to see the same gains as those that followed France Telecom's record \$7 billion initial public offering in October 1997. The stock has more than doubled since then.

The second installment will raise 36.8 billion francs (\$6.44 billion); France Telecom will keep 23 billion francs and the rest will go to the state, a Finance Ministry spokeswoman said.

While individuals asked for twice the number of shares they were offered, institutional investors were even keener, requesting three-and-a-half times their allotment. Demand for France Telecom's convertible bond sale, meanwhile, outstripped supply nearly 10 times.

Institutional investors will pay 400

francs a share, a 10-franc premium over the price for individuals. Investors will receive their shares on Dec. 7.

Finance Minister Dominique Strauss-Kahn decided to transfer 3.3 million out of a possible 7 million shares of the offer to private individuals, bringing the private offer to 50.3 million shares with a value of 19.6 billion francs, the ministry said.

Investors who made a reservation will get their first 20 shares allotted in full and 25 percent of their request from 21 to 76 shares. Those who did not make a reservation but signed up last week will get the first seven shares allotted in full as well as 11.5 percent of their request for up to 76 shares.

Institutional investors will get 37.2 million shares for a total of 14.9 billion francs. Employees may buy up to 2.3 billion francs' worth of shares.

Deutsche Telekom AG will buy 2 percent of France Telecom for a total of 8 billion francs. France Telecom, in turn, confirmed Sunday it had paid 8.2 billion francs for a 2 percent stake in the German phone company.

(Reuters, Bloomberg)

## CYBERSCAPE

### Surfing Stormy Internet Seas, Music Pirates

By Hiawatha Bray  
The Boston Globe

**BOSTON** — Three weeks ago, the popular band R.E.M. released its latest album. Up. Within days, illegal copies of the disk could be obtained literally anywhere on earth.

Cheap, pirated copies of recorded music have been sold for years. But a new breed of pirates is not making crudely dubbed cassette tapes. Instead, the pirates are creating

high-quality digital copies of the music and publishing it on the Internet, where anyone can listen.

These audio thieves do their dirty work for pleasure, not profit. And the tools of their trade are easy to find: a computer, an Internet connection, some inexpensive software and contempt for copyright laws.

"Someone is helping themselves to our property," said Bob Merlis, a spokesman for R.E.M.'s label, Warner Bros. Records, "and then, in

a strange Robin Hood-esque move, is offering that property to others."

Yet this computerized piracy may be the least of Mr. Merlis's worries. The same technology could radically change the world of recorded music. It can be used by the recording industry itself to transform the way music is distributed.

Consumers may be able to buy R.E.M.'s next album directly over the Internet, downloading the music right onto their hard drives. Or they might not buy entire albums at all, but instead download songs one at a time to create their own ideal albums.

All this could devastate the business of traditional music retailers, so whom the record companies still depend for most of their sales. And the record companies would have to redesign their own business models to cope with a world in which consumers can be far more selective about the music they buy.

The pioneering technology that makes Internet music distribution popular, known as MP3, was originally developed to enable Hollywood studios to put high-quality movie sound onto disks the size of CD-ROMs. But MP3 also enables almost anyone with a personal computer to make copies of recorded music that sound nearly as good as the original recording.

In addition, MP3 music files are tightly compressed so that hundreds can easily be stored on a computer's hard drive, or downloaded from the Internet.

Over the past year, MP3

has been transformed from a technical curiosity to a popular entertainment system. Free or low-cost MP3 players, software available on many Internet sites, are being used by millions to download and record MP3-formatted music onto hard drives.

A few record companies and recording artists like Eric Clapton and Dionne Warwick have embraced the technology as a promotional tool. They issue sample cuts from new albums on the Internet in MP3 format, and encourage visitors to download them and listen.

Then there are MP3 pirates who use "ripper" software to copy CDs into the new format and distribute illegal copies far and wide.

"Anybody with a modest personal computer can pop a CD into the computer and make an MP3 file out of it," said Michael Robertson, president of MP3.com, a leading distributor of legal MP3 music on the Internet.

MP3 piracy is still only a minor threat to the recording industry. Most home computer users have slow Internet connections, so it would still take five or six minutes to download a typical MP3 song. Many music lovers would rather buy the disk and be done with it.

But this bottleneck is quickly disappearing. Already tens of thousands of Americans have high-speed Internet access at home, through modems connected to their cable TV systems. And a new system called ADSL, or asymmetric digital

See MUSIC, Page 17

## CURRENCY RATES

Cross Rates	Nov. 27
Australian dollar	1.0000 1.3390 1.3390
British pound	1.0000 1.6540 1.6540
Canadian dollar	1.0000 1.3390 1.3390
French franc	1.0000 16.6633 16.6633
German mark	1.0000 1.9364 1.9364
Italian lira	1.0000 2036.27 2036.27
Japanese yen	1.0000 147.82 147.82
New Zealand dollar	1.0000 1.3390 1.3390
Portuguese escudo	1.0000 200.48 200.48
Spanish peseta	1.0000 166.64 166.64
Swiss franc	1.0000 1.4756 1.4756
Taiwan dollar	1.0000 33.9370 33.9370
U.S. dollar	1.0000 1.0000 1.0000

Changes in American dollar rates: London, Athens, Paris and Zurich, changes in other currencies: New York rates of P.M. and Toronto rates of 3 P.M.

or 70 buy one pound in 70 buy one dollar. Units of 100 A.D.: not quoted. N.A.: not available.

Other Dollar Values	Nov. 27
Argentine peso	1.0000 1.3390 1.3390
Brazilian cruzeiro	1.0000 1.3390 1.3390
Chinese yuan	1.0000 1.3390 1.3390
Colombian peso	1.0000 1.3390 1.3390
Czech koruna	1.0000 1.3390 1.3390
Danish krone	1.0000 1.3390 1.3390
East German mark	1.0000 1.3390 1.3390
Finland mark	1.0000 1.3390 1.3390

Forward Rates	Nov. 27
30-day	1.0000 1.3390 1.3390
90-day	1.0000 1.3390 1.3390
180-day	1.0000 1.3390 1.3390

Source: Reuters. American dollar rates: London, Athens, Paris and Zurich, changes in other currencies: New York rates of P.M. and Toronto rates of 3 P.M. or 70 buy one pound in 70 buy one dollar. Units of 100 A.D.: not quoted. N.A.: not available.



REMY MARTIN  
FINE CHAMPAGNE COGNAC

Only Remy

Try a Cordon Rouge

Remy VSOP  
Only 1st in Cognac. The world's favorite VSOP Cognac.



MONDAY, NOVEMBER 30, 1998

  
**COMMERCIAL UNION**

  
**General Accident**

# CGU & YOU

Two established names  
with a new perspective

Commercial Union and General Accident are now CGU.  
And we've combined 300 years' heritage with just one person in mind.







## CAPITAL MARKETS ON MONDAY

## Soros, the Speculator: No Longer Thriving on Chaos?

By Lawrence Malkin  
International Herald Tribune

NEW YORK — George Soros, the greatest speculator of the age, admitted in a book published worldwide Sunday that putting his funds' money into Russia was "the worst investment of my professional career" and warned that the world is heading into a depression unless international finance is reformed soon.

In "The Crisis of Global Capitalism," Mr. Soros has put together many of his observations of recent years in a book that amounts to a wake-up call from a man who knows his subject first-hand.

This year the value of the Soros funds dropped from about \$22 billion to \$18 billion — half of the losses vanished in Russia. One section of the book consists of his diary of how he tried to prevent the August financial meltdown in Moscow, an experience that he concedes demon-

## ECONOMIC SCENE / Commentary

strated to him the difficulty of reconciling his role as an investor with his efforts to help make Russia a democratic society.

He seeks neither sympathy nor redress for his losses, only a new and more stable order for global finance, despite the fact that less volatility would mean fewer opportunities for speculators like himself.

"I want to prevent the global capitalist system from destroying itself," he writes. It is as if Joseph P. Kennedy had demanded stock-market regulation during the Roaring Twenties — or, if Mr. Soros is right, just before the crash of 1929.

Much of the book is devoted to an attack on what he calls the dogma of "market fundamentalism," underlying the structure of the global economy. At

times he overstates the obvious, most notably in a lengthy explanation of his favorite market theory of "reflexivity," which boils down to the observation that the thoughts and statements of market players can affect the market.

His definition of this unsurprising theory: "Facts can be influenced by making statements about them."

For example, when enough people chant the mantra of "the magic of the marketplace," Mr. Soros warns, this helps create the mass delusion that the market solves all problems, whereupon people like him bet that the herd will eventually stumble and he can pick up the pieces. He explains how his theories have helped make this contrarian rich, but let him give away Soros Fund Man-

agement's crown jewels, he cites few examples beyond his already well-documented billion-dollar profit on the 1992 fall of the British pound.

In the present crisis, he argues that more information for lenders is not sufficient because markets are inherently unstable — and "how much instability can society take?" Mr. Soros proposes a carrot-and-stick combination that would help guarantee loans to countries that disclose their full balance sheets and penalize banks that ignored warning signs.

Instead of having the International Monetary Fund serve as the multinational banks' debt collector from devastated borrowers in the developing world, the banks would have to swallow some of their losses by turning bad debts into equity. At the same time, the IMF's lending capacity would be increased by issuing Special Drawing Rights to fill the financial hole created by a default. The Special Drawing Right, or SDR, is an artificial IMF reserve currency that central banks can cash in for dollars and other currencies. This complex plan would be institutionalized by an International Credit Insurance Corporation with access to all information about outstanding loans, public and private, carried by borrowers and lenders alike. The corporation would then decide what proportion of a loan to guarantee at preferential interest rates. Foreign banks



In his book, George Soros sees the world economy heading into a depression and urges financial order.

refused, the author went to PublicAffairs, a small, new, and aggressive house, which shipped copies to U.S. bookstores within two months of receiving his manuscript on Sept. 22. Meanwhile, PublicAffairs sold the in-

## Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Nov. 27. Prices supplied by Telekurs.

Rnk Name Cpn Maturity Price CrYld

## Austrian Schilling

189 Austria 5 01/15/08 105.7500 4.7300

## British Pound

76 Amingdon No.4 zero 12/27/02 22.2300 4.4500

102 Fin Ring Hours 11/12/99/04/04 164.6900 6.7600

176 Amingdon No.4 zero 01/10/03 21.8750 6.5000

224 Britain 8 12/07/00 105.1300 7.6100

225 EIB 7 05/07/02 105.5500 6.8700

243 Future Rentals 2 zero 03/30/01 87.8200 5.6900

## Danish Krone

31 Denmark 7 11/15/07 113.3000 5.9200

32 Denmark 8 02/15/08 122.4000 6.8000

40 Denmark 4 05/15/02 112.4477 7.1100

49 Denmark 6 11/15/09 112.1500 5.3500

57 Denmark 6 12/10/09 101.9200 5.8900

62 Denmark 8 10/10/09 102.7000 6.9500

84 Denmark 6 12/15/04 114.5500 6.1100

89 Denmark 6 11/15/02 106.8800 5.6100

106 Denmark 8 11/15/01 110.9400 7.2100

129 Denmark 8 10/10/02 102.7000 6.9500

132 Denmark 7 11/10/02 124.2000 6.5000

144 Denmark 4 02/15/01 100.9000 4.0000

164 Denmark 4 02/15/99 100.3000 5.9800

200 Unifredit 6 10/01/99 97.4000 6.1500

212 Red Dan 4 10/01/99 95.8000 6.2000

## Deutsche Mark

1 Germany 4 07/04/07 113.7000 5.2600

2 Germany 3 01/04/08 109.2500 4.8000

3 Germany 4 04/04/08 104.3500 4.3000

4 Germany 7 01/01/02 112.1500 5.3500

5 Germany 4 05/15/03 103.1300 4.3600

6 Germany 8 07/22/02 115.2400 6.9400

7 Germany 8 07/22/00 100.3000 5.9800

8 Germany 5 01/04/08 110.9200 5.8900

9 Germany 4 01/04/07 112.3000 5.7000

10 Germany 8 07/22/00 100.3000 5.9800

11 Germany 9 10/23/00 112.1500 5.3500

12 Germany 7 01/23/03 115.2400 6.9400

13 Germany 8 12/22/02 115.2400 6.9400

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27 Germany 4 07/04/08 97.7000 4.8600

Rnk Name Cpn Maturity Price CrYld

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## Bullish Investors Await Economic Data

Compiled by Our Staff From Dispatches

NEW YORK — The 1998 home stretch officially begins Monday for U.S. Treasury securities, with market players expecting a continuation of the bullish sentiment seen during the abbreviated previous week.

But, analysts said, trading could get rather choppy as many accounts start to close their books and as investment houses such as Goldman Sachs & Co., Lehman Brothers and Aubrey G. Lane & Co. end their financial years on Monday.

Activity has already started to slip. Volume on Friday's shortened session, for instance, did not reach \$20 billion. That is about half of what was seen on the Friday after Thanksgiving Day in 1997. Before the holiday, volume was below average on a number of occasions.

A couple of key economic reports, though, could pose a challenge to the market. On Tuesday, the National Association of Purchasing Management is slated to release its November manufacturing survey, while the Labor Department will release the November unemployment report on Friday.

Both are expected to come in on the bullish side, which should support Treasury paper, traders said.

"Unless the numbers are explosive, Treasuries should trade sideways to

downward in yield," said William Sullivan, chief fixed-income economist at Morgan Stanley Dean Witter Inc.

He said the 30-year bond yield could drift down to 5.05 to 5.10 percent. The long bond closed Friday at a yield of 5.16 percent, down from 5.22 percent in the previous week.

The market also looks to get a lift from month-end index buying. At the same time, the Federal Reserve Board

## U.S. CREDIT MARKETS

should continue to make outright purchases of corporates to meet seasonal demands for currency, further helping Treasuries, traders said.

Still, economic data take center stage after months of being pushed aside in favor of dealing with global financial market turmoil and a possible U.S. credit crunch.

"Most people assume the Fed is now minding the data more aggressively because the markets are clearly performing better," said John Youngblood, money market economist at Goldman Sachs & Co. "We may see a greater sensitivity to the way the numbers appear."

Demand for corporate debt has been so brisk recently that several borrowers

(Reuters, Bloomberg)

## New International Bond Issues

Compiled by Charlotte Sector

Issuer	Amount (\$millions)	Mat.	Cpn. %	Price	Price and yield	Notes
<b>Floating Rate Notes</b>						
First Union National Bank	\$200	1999	Libor	100.00	—	Interest will be the 3-month Libor. Noncallable. Fees 0.05% (Merrill Lynch Int'l)
Royal Bank of Canada	\$250	2000	Libor	99.97	—	Interest will be the 3-month Libor. Noncallable. Fees 0.05% (Gibson Dunn & Crutcher)
<b>U.S. Bank National Association</b>						
Albion & Leicester	\$100	2002	5/16	99.84	—	Over 3-month Libor. Noncallable. Fees 0.15% (Alliance & Leicester)
Roadchef Finance	\$35	2008	0.85	100.00	—	Over 3-month Libor. Noncallable. Also a \$175 million in another 2 tranches. Fees 0.50% (Bancorp Capital)
Banco Popolare di Bergamo	ECU300	2003	0.20	99.77	—	Over 3-month Libor. Noncallable. Fees 0.15%. Demographic 10,000 euros (L.P. Morgan Int'l)
<b>Fixed-Coupons</b>						
Austria	\$200	2009	5 1/4	99.209	99.15	Noncallable. Fees 0.25% (Deutsche Bank)
Banco de Galicia y Buenos Aires	\$100	2000	10	100.00	—	Seniorly. Noncallable. Fees 0.50% (Goldman Sachs Int'l)
European Investment Bank	\$750	2009	5 1/4	99.847	99.20	Noncallable. Fees 0.25% (Morgan Stanley Dean Witter)
Nestle	\$250	2003	5	101.333	99.85	Renowned at 99.708. Noncallable. Fees 1.0% (J.P. Morgan Int'l)
Rabobank Ireland	\$250	2001	5	100.9125	99.70	Renowned at 99.725. Noncallable. Fees 1.0% (Warburg Dillon Read)
World Bank	\$100	2001	4 1/4	100.9645	99.72	Renowned at 99.777. Noncallable. Fees 1.0% (ABN-AMRO Home Govt)
Bank of America	\$250	2010	6 1/4	99.717	—	Noncallable. Fees 0.45% (Bank of America)
European Investment Bank	\$75	2008	6	113.422	—	Noncallable. Floating with outstanding issues, raising total amount to \$1.35 billion. Fees 0.45% (Warburg Dillon Read)
Halifax	\$200	2003	5 1/4	99.719	—	Noncallable. Fees 0.25% (Morgan Stanley Dean Witter)
Inter-American Development Bank	\$200	2003	5 1/4	100.425	—	Noncallable. Fees 1.0% (RBC Dominion Securities)
International Finance	\$75	2002	5 1/4	100.39	—	Noncallable. Fees 0.25% (HSBC Markets)
Roadchef Finance	\$133	2023	7.416	103.00	—	Noncallable. Fees 0.75% (Bancorp Capital)
Roadchef Finance	\$42	2026	8.015	103.00	—	Noncallable. Fees 1.0% (Bancorp Capital)
World Bank	\$100	2003	6 1/4	101.403	—	Noncallable. Floating with outstanding issues, raising total amount to \$1.35 billion. Fees 0.25% (Credit Suisse First Boston)
Countrywide Home Loans	OM750	2005	5 1/4	99.634	99.05	Noncallable. Fees 0.45% (Deutsche Bank)
Rolls Royce	DM500	2005	4 1/4	101.785	99.47	Renowned at 99.465. Noncallable. Fees 2.0% (Deutsche Bank)
SUV Funding Ltd.	DM500	2005	4 1/4	101.785	99.50	Renowned at 99.465. Noncallable. Fees 2.0% (Deutsche Bank)
European Investment Bank	EUR10,000	2001	7 1/4	100%	—	Renowned at 99.465. Noncallable. Floating with outstanding issues, raising total amount to \$1.35 billion. Fees 0.25% (Credit Suisse First Boston)
ABN-AMRO Bank	EUR100	2004	zero	100.00	—	Noncallable. Floating with outstanding issues, raising total amount to \$1.35 billion. Fees 0.25% (Credit Suisse First Boston)
National Australia Bank	NZ\$250	2000	5 1/4	100.496	99.45	Noncallable. Fees 1.0% (TD Securities)
<b>Equity-Linked</b>						
Glauber	DM279	2018	1 1/4	65.10	—	Redeemable at 75.72 in 2004. Convertible at \$347 (highlights from a 2004 premium, and 20,000 francs per share. Fees not disclosed. (Deutsche Bank)

## Last Week's Markets

Last Week's Markets		Money Rates		Euro	
Stock Indexes	Money Rates	Nov. 27	Nov. 20	U.S. \$	Percent
<b>DJ Industrial Average</b>	% Change				
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# Exxon-Mobil Deal: Driving Forces and a Voice of Doubt

There are tough in the oil patch. It boggles the mind to accept the notion that hardship is driving Big Oil to either merge, as British Petroleum Co. and Amoco Corp. have already agreed to do, or at least to consider the prospect, as Exxon Corp. and Mobil Corp. are doing.

Still, Big Oil and small oil are getting squeezed by low petroleum prices and the high capital costs of exploration. Given the exotic locales of the most promising, unexplored fields, it seems unlikely that exploration will get cheaper. And with West Texas crude trading at around \$12 a barrel, it seems a safe bet that it will not be selling for \$100 a barrel by the turn of the century—a price some analysts in the early 1980s were predicting it would reach.

Philip K. Verleger Jr., publisher of

Q & A / Philip K. Verleger Jr.

Petroleum Economics Monthly and a senior adviser to the Brattle Group, a Cambridge, Massachusetts, consulting firm, talked with Kenneth N. Gilpin of The New York Times about Mobil, Exxon and the changing dynamics of the oil business.

Q. There is a lot of focus on the antitrust aspects of an Exxon-Mobil deal. Do you see any problems?

A. Let me say right off that I don't think this is a done deal. I think it is far from that. But if it were to happen, I don't see many problems. BP Amoco [the proposed combination of British Petroleum PLC and Amoco Corp.] is the perfect end-to-end merger, one in which there is little or no overlap with the com-

pany you are merging with. Exxon-Mobil comes close.

The first issue is competition in local markets. The only possible problem area there is on the West Coast, but both companies are pretty small players there. If there is a reason this merger might get extra attention, it will be because Exxon and Mobil have not been terribly friendly toward either the Clinton administration's or the European Union's positions on global warming.

Q. Why are you skeptical about the deal?

A. Well, Mobil has been trying to get bigger. They had talks with Amoco. They wanted to buy

Conoco. But I don't understand where Lucio Noto, Mobil's chief executive, fits into this. That could be an impediment to an agreement, because in a merger I don't think he has a place, and he has been a very strong leader.

Q. Mobil is the second-largest U.S. oil company behind Exxon. Why do they need to get bigger?

A. In the first decade of the next century, the really big exploration opportunities will be very capital intensive, and only companies with the deepest pockets will be able to stay in the game: Royal Dutch, Exxon and BP Amoco. Companies of Mobil's size are probably marginal players.

Q. That suggests Mobil has been

harder hit than Exxon by the downturn in prices.

A. From 1988 to 1996, Exxon's exploration and production expenditures rose 8 percent. Mobil's rose 14 percent. But Mobil's expenditures were much more sensitive to price elasticities of oil than Exxon's. They were pushing the envelope, and when prices fell they had to cut back. Exxon has tried to build a very large presence systematically, without paying much attention to month-to-month or even year-to-year fluctuations in oil prices. They are brutally efficient.

Q. This month the U.S. Energy Department said that oil prices would stay soft for nearly a decade. Do you agree?

A. Every time I see forecasts that go out that far I want to go out and buy stock in oil companies. I think we are going to see low oil prices for six months to a year. It is conceivable we could go into the next century with oil at \$5 a barrel, depending on what happens to the world economy.

During that period, we are going to see a substantial reduction in investment in exploration and production, leading to a reduction in supply coming out of non-OPEC countries. That will strengthen the hands of the OPEC countries. And when the Asian economies start growing again that will lead to a good deal higher oil prices, say \$20 a barrel, in the next 18 months.

## OPEC May Opt To Raise Prices

DUBAI, United Arab Emirates — OPEC members said Sunday that all options were open to push crude prices up to \$15 a barrel despite their failure to reach a consensus at a summit meeting last week.

The secretary-general of OPEC, Ali Al-Sagoff, said the cartel would remain focused on a "reasonable" oil price of at least \$15 a barrel, substantially lower than previous targets. But the United Arab Emirates said all options remained open to lift prices, which are languishing near all-time lows.

OPEC's meeting in Vienna, which ended Thursday, failed to produce concrete measures to stabilize or raise crude prices, which have dropped to historic lows of below \$11 a barrel.

## Plans for Caspian Pipeline Hit Snag

By Stephen Kinzer  
New York Times Service

ISTANBUL — Prospects for quick construction of an American-backed oil pipeline from the Caspian Sea were set back further when a senior oil executive said that countries supporting it did not seem willing to help pay for it.

"We understand the political importance of this route," said the executive, John Leggett, who heads the Azerbaijan International Operating Co., which is the consortium of oil companies that is considering pipeline routes. "Nevertheless, not a single country supporting it has suggested it would participate in financing the project."

Mr. Leggett did not name any countries, but the three through which the pipeline would pass are Azerbaijan, Georgia and Turkey.

Clinton administration officials are lobbying hard for the route because it would favor American interests, but have concluded that it is politically impossible for them to subsidize it. They want Turkey to do so, and in recent weeks Turkey has offered concessions on taxes and transit fees. But the comments from Mr. Leggett suggested that these concessions are far from sufficient.

The difference between the cheaper and the most expensive options could be \$500 million a year, he said Thursday at a news conference in Baku, the capital of oil-rich Azerbaijan, where the Caspian oil boom is centered. "We will seek a route that will be profitable even at very low oil prices."

The route favored by the United States would run from Baku to Ceyhan, a Turkish port on the Mediterranean. Mr. Leggett said that

building a pipeline along this route would cost \$3.7 billion, compared with \$1.8 billion for a shorter route to Georgia. He said the companies were also considering rebuilding an old but still functioning pipeline that runs to the Russian port of Novorossiysk, which he estimated would cost \$2.5 billion.

Reports last month that oil companies were unwilling to recommend construction of the Baku-Ceyhan route provoked a flurry of public statements and trips to the Caspian region by U.S. officials. They insisted that the Baku-Ceyhan line is the best choice despite its cost.

The United States favors the Baku-Ceyhan route for political reasons. It passes through pro-American countries and would bind them closer to Western interests. It would also avoid Russia and Iran, both of which are promoting routes of their own.

## SHORT COVER

### GEC and Alcatel Consider Merger?

LONDON (Reuters) — General Electric Co. of Britain and Alcatel SA, a French telecommunications company, are thought to be considering a \$30 billion (\$49.67 billion) merger. The Sunday Times reported.

The Times said such a merger would bring GEC's Marconi defense-electronics arm closer to Thomson-CSF, a similar French company in which Alcatel has a 16 percent stake.

Some GEC managers were cautious about the deal because they thought shareholder value could be created through joining forces with British Aerospace PLC, the paper reported. No one at GEC would comment on the report.

### GE Capital Looks at Japan Leasing

TOKYO (AFP) — General Electric Capital Corp. of the United States is considering buying part of the failed Japan Leasing Corp. for 900 billion yen (\$7.35 billion), the Nihon Keizai Shimbun reported Sunday.

GE Capital has started negotiations with Japan Leasing, an affiliate of the collapsed Long-Term Credit Bank of Japan Ltd., over a transfer of the Japanese firm's leasing business to GE Capital, the business daily said.

Japan Leasing collapsed in September in Japan's biggest postwar corporate failure, with liabilities of 2.18 trillion yen.

### China Moves to Cut Corruption

BEIJING (AFP) — China has ordered its vast bureaucracy to cut ties with all its businesses next year in a bid to stamp out corruption, media reports and analysts said Sunday.

Organs of the Communist Party and the government were told to give up enterprises under their control, just four months after President Jiang Zemin ordered the army to cut ties to business, the official China Daily Business Weekly reported.

"It's my view that around the time of the order to the army to give up its businesses it was inevitable that a lot of people started thinking about the government and the Party businesses, too," said Zhang Tuosheng, director of research at the privately funded Institute for International and Strategic Studies.

### South Korean Companies Rebuffed

SEOUL (Bloomberg) — Creditor banks and a government committee assessing corporate restructuring efforts have rejected the plans of South Korea's top five conglomerates to swap subsidiaries, disqualifying them from government assistance.

"The proposal was disappointing," said the committee chairman, Oh Ho Keun. "They won't take any responsibility for the investments that went sour because of their mistakes."

Five business groups — Hyundai, Samsung, LG, Daewoo and SK Global — agreed to merge companies in seven industries, including aerospace and computer chips, as part of a so-called "big deal" initiative to help weather South Korea's deepest recession in 45 years.

## INVEST: Will Japanese Go for Mutual Funds?

Continued from Page 1.

in October for the fourth straight month even as the interest rate on most of those savings was cut to 0.2 percent from 0.25 percent.

"We are not familiar with risk," said Takashi Tajiri, 34, a director at Gaijin Communications Inc. and former banker. "I heard that American banks teach about stocks and risk in investing. Most Japanese don't have any instructions in risk. The easiest way for them is to go to the bank with their savings and receive some souvenirs from the bank."

But the Japanese have good reasons for being cautious. When a huge speculative bubble collapsed in the early 1990s, investors saw the value of the average stock fall by more than 60 percent in the first year and a half of the decade. Today the stock market is lower than it was in 1986. Securities firms — the only place an individual could invest until the changes now being put in place by the Bang — got a bad reputation for churning accounts. The average investor lost money and lost heart.

Atsuo Sawakami, who started a small financial advisory company two years ago, has been telling his clients that it is a good time to buy Japanese stocks and hold onto them.

"However, nobody dares to put the ball on the cat's neck," he said. "The situation looks so adverse."

Both Japanese and foreign firms have a lot of spade work ahead to restore confidence in individual investing. Under the reforms, foreign exchange restrictions have been relaxed and fixed brokerage commissions are due to be eliminated. Starting Dec. 1, hedgehounds, banks that had never advised an individual on risk, will be able to sell mutual funds directly to a public that until now could only buy them from securities companies.

On Monday day brings more announcements in Tokyo, like these:

- Citibank will sell mutual funds over the phone and through its retail branches starting in December.
- Fidelity Investments has signed contracts to sell mutual funds at 23 Japanese banks starting Dec. 1.
- Nippon Life Insurance Co. said it plans to triple its mutual fund sales staff in one year and increase it by 10 times, to 5,000, in two years.
- Daiwa Securities Co. said Sumitomo Bank Ltd. will set up a securities joint venture with Donaldson, Lufkin & Jenrette Inc. of the United States to specialize in electronic trading on the Internet.

Among all the brokers here, Merrill Lynch has been among the most aggressive in going after individual investors. It spent \$200 million this year setting up its retail business in Japan, opening 53 branches during the summer and hiring staff for a sales force of more than 1,000.

As a sponsor, the Merrill Lynch name could be seen in the background on national television every time a baseball stepped to the plate in a recent nationally televised baseball series in Tokyo. On the other hand, Japan's largest brokerage, Nomura Securities Co., stopped all advertising for a year until last spring after it was accused of bribery and gangster payoffs.

In a country with record levels of unemployment, it was news recently that Merrill Lynch said it was likely to hire 45 Japanese university graduates for its new retail brokerage next spring (although it is dismissing more than 3,000 employees worldwide after big third-quarter losses).

What is happening is widely referred to as an investment revolution, but so far it is mainly one in the making.

The chairman of Merrill Lynch, David Kominsky, said recently that customers were opening accounts but were reluctant to actually start making investments. "Japanese investors are petrified, they're very unsettled," he told The Wall Street Journal.

"As a whole, people are cautious and confused because of the volatility in world markets," said Thomas Milton, deputy president of Merrill Lynch Japan Securities Co. "But that will change. Markets will improve. And at the low interest rates that can't meet their retirement lifestyle."

## SOUTHERN AFRICA TRADE & INVESTMENT SUMMIT CAPE TOWN, DECEMBER 1-2, 1998

The International Herald Tribune wishes to thank the speakers and sponsors for making its fourth Southern Africa Trade & Investment Summit a tremendous success.

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Republic of Botswana

**Prime Minister Hage Geingob,**  
Republic of Namibia

**Deputy President Thabo Mbeki,**  
Republic of South Africa

**Prime Minister Pascoal Mocumbi,**  
Republic of Mozambique

**William M. Daley,** US Secretary of Commerce

**Jeffrey Humber,** Co-Chief Executive Officer, Merrill Lynch South Africa

**Laurie Nathan,** Executive Director, Centre for Conflict Resolution

**Hugh Brown,** Venture Projects Director, JCI Projects (Pty) Ltd

**Donald Knauss,** President, Coca-Cola Southern Africa

**Alec Erwin,** Minister of Trade and Industry, South Africa

**Kaire Mbeunda,** Executive Secretary, SADC

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**Simon Moyo,** Minister of Mines, Environment and Tourism, Zimbabwe

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## MUSIC: Audio Pirates Surf Stormy Internet Seas

Continued from Page 13.

subscriber line, will allow fast downloads over standard telephone lines. Dell Computer Corp. and Compaq Computer Corp., two of the biggest PC makers, are now selling computers with built-in ADSL modems. Most U.S. telephone companies do not offer the new service yet, but many have begun ADSL service in a few cities.

Soon, downloading an entire album of songs will take just a few minutes. Once they are downloaded, they can be converted back into standard music CD format. Then the music can be "burned" onto traditional compact disks using a CD recorder. Prices for these recorders are now fall-

ing below \$200, and their growing popularity opens a new frontier in music piracy.

The Recording Industry Association of America is waging an aggressive campaign against Internet sites that feature illegal MP3 copies of popular music.

"We get calls from bands and managers every day, asking us to get their records off MP3 files," said Hillary Rosen, president of the association.

In response, the association uses a Web "crawler," software that automatically searches the Web for MP3 files.

When any are found, the software reports to investigators who visit the site to determine if the MP3 files are

legal. If they are not, the association complains to the Internet provider where the files are hosted. Usually, the files quickly disappear.

But Ms. Rosen conceded that her campaign against the pirates was like bailing the ocean with a CD case. She said that the Audio Home Recording Act should be applied to all recordable CD-ROM devices and MP3 recorders.

They should all be required to add chips that limit their ability to copy MP3 files. "Technology has to provide the solution," she said.

Recent technology articles: [www.ihtrib.com/TECH](http://www.ihtrib.com/TECH)

E-mail address: [CyberScape@ihtrib.com](mailto:CyberScape@ihtrib.com)

## Hoechst and Rhone-Poulenc Linkup Likely

FRANKFURT — Hoechst AG and Rhone-Poulenc SA will unveil details of a planned linkup of their pharmaceutical and agrochemical activities Tuesday, industry sources said Sunday.

Industry sources said the London-based public relations agency Dewe Rogerson was organizing a news conference Tuesday in Strasbourg at which the linkup, possibly a merger, would be announced.

"There are conferences all day long, news conferences, video conferences. I cannot tell you exactly what is happening in the morning or in the afternoon, but we're booked for Rhone-Poulenc and Hoechst."

an executive at the Palais de la Musique et des Congres conference center said.

Neither Hoechst nor Rhone-Poulenc, which confirmed Wednesday that they were in talks about a linkup of "life sciences activities," had any comment Sunday.

French sources have said the supervisory board of Rhone-Poulenc will hold a special meeting Monday afternoon and that the deal could be announced the same day.

With estimated sales of \$13 billion in a \$240 billion industry, the new organization would be the world's number two behind Merck & Co. of the United States, which has annual sales of \$23 billion.



# U.S. MUTUAL FUNDS

Figures as of close  
of trading Friday, November 27

Fund Name	Assets (\$ Bn)	YTD % Chg	1-Month % Chg	3-Month % Chg	6-Month % Chg	1-Year % Chg	5-Year % Chg	10-Year % Chg	Rating
1. Fidelity Asset Manager	1,234.56	+12.34	+0.56	+1.23	+2.34	+3.45	+4.56	+5.67	A
2. Fidelity Divd Growth	987.65	+8.76	+0.45	+0.98	+1.56	+2.67	+3.78	+4.89	A
3. Fidelity Divd Growth	876.54	+7.65	+0.34	+0.87	+1.45	+2.56	+3.67	+4.78	A
4. Fidelity Divd Growth	765.43	+6.54	+0.23	+0.76	+1.34	+2.45	+3.56	+4.67	A
5. Fidelity Divd Growth	654.32	+5.43	+0.12	+0.65	+1.23	+2.34	+3.45	+4.56	A
6. Fidelity Divd Growth	543.21	+4.32	+0.01	+0.54	+1.12	+2.23	+3.34	+4.45	A
7. Fidelity Divd Growth	432.10	+3.21	-0.10	+0.43	+1.01	+2.12	+3.23	+4.34	A
8. Fidelity Divd Growth	321.09	+2.10	-0.21	+0.32	+0.90	+2.01	+3.12	+4.23	A
9. Fidelity Divd Growth	210.98	+1.09	-0.32	+0.21	+0.79	+1.90	+3.01	+4.12	A
10. Fidelity Divd Growth	109.87	+0.98	-0.43	+0.10	+0.68	+1.79	+2.90	+4.01	A
11. Fidelity Divd Growth	98.76	+0.87	-0.54	+0.01	+0.57	+1.68	+2.79	+3.90	A
12. Fidelity Divd Growth	87.65	+0.76	-0.65	-0.10	+0.46	+1.57	+2.68	+3.79	A
13. Fidelity Divd Growth	76.54	+0.65	-0.76	-0.21	+0.35	+1.46	+2.57	+3.68	A
14. Fidelity Divd Growth	65.43	+0.54	-0.87	-0.32	+0.24	+1.35	+2.46	+3.57	A
15. Fidelity Divd Growth	54.32	+0.43	-0.98	-0.43	+0.13	+1.24	+2.35	+3.46	A
16. Fidelity Divd Growth	43.21	+0.32	-1.09	-0.54	+0.02	+1.13	+2.24	+3.35	A
17. Fidelity Divd Growth	32.10	+0.21	-1.20	-0.65	-0.09	+1.02	+2.13	+3.24	A
18. Fidelity Divd Growth	21.09	+0.10	-1.31	-0.76	-0.20	+0.91	+2.02	+3.13	A
19. Fidelity Divd Growth	10.98	+0.09	-1.42	-0.87	-0.31	+0.80	+1.91	+3.02	A
20. Fidelity Divd Growth	9.87	+0.08	-1.53	-0.98	-0.42	+0.69	+1.80	+2.91	A
21. Fidelity Divd Growth	8.76	+0.07	-1.64	-1.09	-0.53	+0.58	+1.69	+2.80	A
22. Fidelity Divd Growth	7.65	+0.06	-1.75	-1.20	-0.64	+0.47	+1.58	+2.69	A
23. Fidelity Divd Growth	6.54	+0.05	-1.86	-1.31	-0.75	+0.36	+1.47	+2.58	A
24. Fidelity Divd Growth	5.43	+0.04	-1.97	-1.42	-0.86	+0.25	+1.36	+2.47	A
25. Fidelity Divd Growth	4.32	+0.03	-2.08	-1.53	-0.97	+0.14	+1.25	+2.36	A
26. Fidelity Divd Growth	3.21	+0.02	-2.19	-1.64	-1.08	+0.03	+1.14	+2.25	A
27. Fidelity Divd Growth	2.10	+0.01	-2.30	-1.75	-1.19	-0.08	+1.03	+2.14	A
28. Fidelity Divd Growth	1.09	+0.00	-2.41	-1.86	-1.30	-0.19	+0.92	+2.03	A
29. Fidelity Divd Growth	0.98	-0.01	-2.52	-1.97	-1.41	-0.30	+0.81	+1.92	A
30. Fidelity Divd Growth	0.87	-0.02	-2.63	-2.08	-1.52	-0.41	+0.70	+1.81	A
31. Fidelity Divd Growth	0.76	-0.03	-2.74	-2.19	-1.63	-0.52	+0.59	+1.70	A
32. Fidelity Divd Growth	0.65	-0.04	-2.85	-2.30	-1.74	-0.63	+0.48	+1.59	A
33. Fidelity Divd Growth	0.54	-0.05	-2.96	-2.41	-1.85	-0.74	+0.37	+1.48	A
34. Fidelity Divd Growth	0.43	-0.06	-3.07	-2.52	-1.96	-0.85	+0.26	+1.37	A
35. Fidelity Divd Growth	0.32	-0.07	-3.18	-2.63	-2.07	-0.96	+0.15	+1.26	A
36. Fidelity Divd Growth	0.21	-0.08	-3.29	-2.74	-2.18	-1.07	+0.04	+1.15	A
37. Fidelity Divd Growth	0.10	-0.09	-3.40	-2.85	-2.29	-1.18	-0.07	+1.04	A
38. Fidelity Divd Growth	0.09	-0.10	-3.51	-2.96	-2.40	-1.29	-0.18	+0.93	A
39. Fidelity Divd Growth	0.08	-0.11	-3.62	-3.07	-2.51	-1.40	-0.29	+0.82	A
40. Fidelity Divd Growth	0.07	-0.12	-3.73	-3.18	-2.62	-1.51	-0.40	+0.71	A
41. Fidelity Divd Growth	0.06	-0.13	-3.84	-3.29	-2.73	-1.62	-0.51	+0.60	A
42. Fidelity Divd Growth	0.05	-0.14	-3.95	-3.40	-2.84	-1.73	-0.62	+0.49	A
43. Fidelity Divd Growth	0.04	-0.15	-4.06	-3.51	-2.95	-1.84	-0.73	+0.38	A
44. Fidelity Divd Growth	0.03	-0.16	-4.17	-3.62	-3.06	-1.95	-0.84	+0.27	A
45. Fidelity Divd Growth	0.02	-0.17	-4.28	-3.73	-3.17	-2.06	-0.95	+0.16	A
46. Fidelity Divd Growth	0.01	-0.18	-4.39	-3.84	-3.28	-2.17	-1.06	+0.05	A
47. Fidelity Divd Growth	0.00	-0.19	-4.50	-3.95	-3.39	-2.28	-1.17	-0.06	A
48. Fidelity Divd Growth	0.00	-0.20	-4.61	-4.06	-3.50	-2.39	-1.28	-0.17	A
49. Fidelity Divd Growth	0.00	-0.21	-4.72	-4.17	-3.61	-2.50	-1.39	-0.28	A
50. Fidelity Divd Growth	0.00	-0.22	-4.83	-4.28	-3.72	-2.61	-1.50	-0.39	A
51. Fidelity Divd Growth	0.00	-0.23	-4.94	-4.39	-3.83	-2.72	-1.61	-0.50	A
52. Fidelity Divd Growth	0.00	-0.24	-5.05	-4.50	-3.94	-2.83	-1.72	-0.61	A
53. Fidelity Divd Growth	0.00	-0.25	-5.16	-4.61	-4.05	-2.94	-1.83	-0.72	A
54. Fidelity Divd Growth	0.00	-0.26	-5.27	-4.72	-4.16	-3.05	-1.94	-0.83	A
55. Fidelity Divd Growth	0.00	-0.27	-5.38	-4.83	-4.27	-3.16	-2.05	-0.94	A
56. Fidelity Divd Growth	0.00	-0.28	-5.49	-4.94	-4.38	-3.27	-2.16	-1.05	A
57. Fidelity Divd Growth	0.00	-0.29	-5.60	-5.05	-4.49	-3.38	-2.27	-1.16	A
58. Fidelity Divd Growth	0.00	-0.30	-5.71	-5.16	-4.60	-3.49	-2.38	-1.27	A
59. Fidelity Divd Growth	0.00	-0.31	-5.82	-5.27	-4.71	-3.60	-2.49	-1.38	A
60. Fidelity Divd Growth	0.00	-0.32	-5.93	-5.38	-4.82	-3.71	-2.60	-1.49	A
61. Fidelity Divd Growth	0.00	-0.33	-6.04	-5.49	-4.93	-3.82	-2.71	-1.60	A
62. Fidelity Divd Growth	0.00	-0.34	-6.15	-5.60	-5.04	-3.93	-2.82	-1.71	A
63. Fidelity Divd Growth	0.00	-0.35	-6.26	-5.71	-5.15	-4.04	-2.93	-1.82	A
64. Fidelity Divd Growth	0.00	-0.36	-6.37	-5.82	-5.26	-4.15	-3.04	-1.93	A
65. Fidelity Divd Growth	0.00	-0.37	-6.48	-5.93	-5.37	-4.26	-3.15	-2.04	A
66. Fidelity Divd Growth	0.00	-0.38	-6.59	-6.04	-5.48	-4.37	-3.26	-2.15	A
67. Fidelity Divd Growth	0.00	-0.39	-6.70	-6.15	-5.59	-4.48	-3.37	-2.26	A
68. Fidelity Divd Growth	0.00	-0.40	-6.81	-6.26	-5.70	-4.59	-3.48	-2.37	A
69. Fidelity Divd Growth	0.00	-0.41	-6.92	-6.37	-5.81	-4.70	-3.59	-2.48	A
70. Fidelity Divd Growth	0.00	-0.42	-7.03	-6.48	-5.92	-4.81	-3.70	-2.59	A
71. Fidelity Divd Growth	0.00	-0.43	-7.14	-6.59	-6.03	-4.92	-3.81	-2.70	A
72. Fidelity Divd Growth	0.00	-0.44	-7.25	-6.70	-6.14	-5.03	-3.92	-2.81	A
73. Fidelity Divd Growth	0.00	-0.45	-7.36	-6.81	-6.25	-5.14	-4.03	-2.92	A
74. Fidelity Divd Growth	0.00	-0.46	-7.47	-6.92	-6.36	-5.25	-4.14	-3.03	A
75. Fidelity Divd Growth	0.00	-0.47	-7.58	-7.03	-6.47	-5.36	-4.25	-3.14	A
76. Fidelity Divd Growth	0.00	-0.48	-7.69	-7.14	-6.58	-5.47	-4.36	-3.25	A
77. Fidelity Divd Growth	0.00	-0.49	-7.80	-7.25	-6.69	-5.58	-4.47	-3.36	A
78. Fidelity Divd Growth	0.00	-0.50	-7.91	-7.36	-6.80	-5.69	-4.58	-3.47	A
79. Fidelity Divd Growth	0.00	-0.51	-8.02	-7.47	-6.91	-5.80	-4.69	-3.58	A
80. Fidelity Divd Growth	0.00	-0.52	-8.13	-7.58	-7.02	-5.91	-4.80	-3.69	A
81. Fidelity Divd Growth	0.00	-0.53	-8.24	-7.69	-7.13	-6.02	-4.91	-3.80	A
82. Fidelity Divd Growth	0.00	-0.54	-8.35	-7.80	-7.24	-6.13	-5.02	-3.91	A
83. Fidelity Divd Growth	0.00	-0.55	-8.46	-7.91	-7.35	-6.24	-5.13	-4.02	A
84. Fidelity Divd Growth	0.00	-0.56	-8.57	-8.02	-7.46	-6.35	-5.24	-4.13	A
85. Fidelity Divd Growth	0.00	-0.57	-8.68	-8.13	-7.57	-6.46	-5.35	-4.24	A
86. Fidelity Divd Growth	0.00	-0.58	-8.79	-8.24	-7.68	-6.57	-5.46	-4.35	A
87. Fidelity Divd Growth	0.00	-0.59	-8.90	-8.35	-7.79	-6.68	-5.57	-4.46	A
88. Fidelity Divd Growth	0.00	-0.60	-9.01	-8.46	-7.90	-6.79	-5.68	-4.57	A
89. Fidelity Divd Growth	0.00	-0.61	-9.12	-8.57	-8.01	-6.90	-5.79	-4.68	A
90. Fidelity Divd Growth	0.00	-0.62	-9.23	-8.68	-8.12	-7.01	-5.90	-4.79	A
91. Fidelity Divd Growth	0.00	-0.63	-9.34	-8.79	-8.23	-7.12	-6.01	-4.90	A
92. Fidelity Divd Growth	0.00	-0.64	-9.45	-8.90	-8.34	-7.23	-6.12	-5.01	A
93. Fidelity Divd Growth	0.00	-0.65	-9.56	-9.01	-8.45	-7.34	-6.23	-5.12	A
94. Fidelity Divd Growth	0.00	-0.66	-9.67	-9.12	-8.56	-7.45	-6.34	-5.23	A
95. Fidelity Divd Growth	0.00	-0.67	-9.78	-9.23	-8.67	-7.56	-6.45	-5.34	A
96. Fidelity Divd Growth	0.00	-0.68	-9.89	-9.34	-8.78	-7.67	-6.56	-5.45	A
97. Fidelity Divd Growth	0.00	-0.69	-10.00	-9.45	-8.89	-7.78	-6.67	-5.56	A
98. Fidelity Divd Growth	0.00	-0.70	-10.11	-9.56	-9.00	-7.89	-6.78	-5.67	A
99. Fidelity Divd Growth	0.00	-0.71	-10.22	-9.67	-9.11	-8.00	-6.89	-5.78	A
100. Fidelity Divd Growth	0.00	-0.72	-10.33	-9.78	-9.22	-8.11	-7.00	-5.89	A



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## TOURISM: THE ACCENT IS ON QUALITY

A highly popular destination, Greece is diversifying its tourism offers.

Vasso Papandreou, the Greek minister of development and tourism, says that 1997 and 1998 were good tourist years. In 1998, tourism — Greece's most important industry — showed an increase of more than 12 percent over the previous year in the number of tourist arrivals, with a total of around 11.5 million foreign visitors. Industry analysts expect even better results in 1999.

"This is the outcome of the policies we have applied in the sector of Greek tourism, which have led to a substantial qualitative improvement in the tourist product," says Mrs. Papandreou, a former European Common Market Commissioner.

"Our government and the Ministry of Development in particular have drawn a definite policy during the past three years, which we follow faithfully. This should produce a more modern tourist product which will change for the better the image of Greece in tourist markets overseas," says the minister.

Tourism professionals agree that the Greek government's long-term policy — based on the upgrading and modernization of the country's tourist infrastructure and the effective promotion and advertising of the country's assets — should lead to the steady development of tourism.

"Our promotion is based on the characteristics of each market and the interests of today's tourists, the enrichment of our tourist product and the lengthening of our tourist season," says Mrs. Papandreou. "It is a constant process of development that will secure a positive climate for investment initiatives, especially in view of the 2004 Olympics, which present a great challenge to our country. Our new tourist products will be directed to modern, active tourists and will cover all their needs."

Major investments in Greek tourism executives intend to establish Greece as an attractive, reliable tourist destination that will compete with other vacation hotspots and hold a special appeal for tourist industry investors and professionals.

"In the coming years, the competitiveness of Greek tourism will depend much more on the upgrading of quality rather than on prices," Mrs. Papandreou says.

Considerable investments are currently under way in Greece. During 1995-97, over \$600 million was invested in convention centers, marinas, golf courses, sea resorts, ski centers and other installations. Another \$500 million is earmarked for the first phase of investments in Hellenic Tourism Organization (HOTO) properties and areas of Advanced Tourist Development.

An additional \$500 million has been spent by the program Tourism-Culture on projects aiming to expand and modernize existing tourist facilities. This includes the training and specialization of tourism professionals, who are today more and more indispensable on the competitive world scene.

Tourism also benefits from the investment of billions of dollars in infrastructure projects like airports, ports, roads, health centers and other installations that are useful to foreign visitors.

"Comparatively speaking, Greece has more airports than any other country in Europe, and substantial investments were made for their modernization. Athens, Thessaloniki, Heraklion, Rhodes and all major Greek cities have modern, secure airports," points out Mrs. Papandreou. She adds that these efforts to upgrade infrastructure and train personnel will continue as part of permanent government policy.

The minister believes that despite all the positive steps taken, Greek tourism still has a lot of underexploited potential.

"This realization leads us to continue our program for the modernization and development of Greek tourism with all means currently available, as well as those we will have at our disposal in the future. The government will employ all the measures necessary to attain the targets we have set," says Mrs. Papandreou. "That our efforts are appreciated internationally is confirmed by the results of tourist traffic toward our country and by the positive estimates being made for the immediate future," she concludes.



Vasso Papandreou, minister of development and tourism.

## DESTINATION GREECE DOORWAY TO EUROPE

### A MODERN AND DIVERSIFIED ECONOMY

Greece's goal is to join European economic and monetary union by 2001.

In 1998, Greece has taken a major stride toward participation in European monetary union. Sound macroeconomic policies and supply-side reforms over the past four years have contributed to creating an economic environment that is conducive to sustainable growth.

"The government has implemented one of the most ambitious and intensive macroeconomic adjustment programs in the European Union," says National Economy Minister Yannis Papantoniou. He points to the acknowledgment of this progress by international organizations and credit rating agencies. "Standard and Poor's March 1998 assessment confirms that the strengthening of policy environment in recent years is promoting an investment-led economic recovery while lowering inflation," he says.

The minister adds that Greece is now moving into a cycle of lower deficits, lower inflation and higher growth. According to ministry figures, the deficit was reduced from 13.8 percent in 1993 to 2.2 percent in 1998, with a 1999 estimate of 1.9 percent. GDP growth has increased from minus 1.6 percent in 1993 to growth of 3.5 percent in 1998, with 3.7 percent growth forecast for 1999. Inflation is down from 14 percent in 1993 to 4.7 percent this year, with 2.4 percent forecast for 1999.

The major forces that have contributed to this improvement have also increased policy credibility, given a considerable boost to business confidence and profitability.

Additional anti-inflationary measures have been taken

in the 1999 budget, with a reduction in indirect taxes and moderate salary increases (set at 2 percent) for public servants.

However, the government, in order to sustain and strengthen competitiveness, has put more emphasis on structural reforms aimed at accelerating the adaptation of the Greek economy to globalization. The government believes that intensifying the privatization process is likely to inject more dynamism and encourage a competitive spirit and efficiency in several protected areas of the economy. Twelve state-owned enterprises and four banks will be privatized by the end of 1999. The Hellenic Telecommunications Organization is now listed on the New York Stock Exchange. Preparations for the privatization of other major utilities are under way.

"The state is issuing new privatization certificates, spreading share ownership to the public. Total gross revenues from privatization have exceeded \$4.1 billion in 1998," says Mr. Papantoniou. A major effort is being undertaken to restructure and modernize public corporations with money-losing operations, especially in the transport sector, by promoting reorganization plans, abolishing restrictive labor practices and upgrading managerial efficiency with a view to increasing productivity and restoring financial balance. Following consultations with its social partners, the government has promoted considerable flexibility in the labor market by

reducing restrictions and facilitating the adaptation of labor relations to a more competitive model of production. Finally, the reform of the pension system is under way and will take place in two stages.

Greek financial leaders agree that the economy is moving fast into a more competitive environment. Public enterprises are increasingly exposed to market forces, and the provision of services has been gradually rationalized. Furthermore, Greek society has accepted the need for reform, and there is a growing consensus for adjustment. Financial leaders believe that policy credibility has been strengthened due to the determination shown by the government in the face of hostile reactions.

The business community is showing signs of renewed dynamism and is gradually becoming more outward looking, exploiting the opportunities created by the opening of new markets. Telecommunications, advanced support services, software development, banking and a dynamic food sector are leading the Greek business expansion in the Balkans and other areas with transition economies.

With a renewed emphasis on economic diplomacy, Greece has participated actively in the new regional forums that help decide the economic future of the region. Greece has played a major role in shaping the Black Sea Economic Cooperation Organization and in establishing the Black Sea Bank for Trade and Development in Thessaloniki, which will become

operational early in 1999. Greece has also been an active founding member of the South Eastern Europe Co-operative Initiative, a U.S.-promoted program to support regional development.

Mr. Papantoniou says that the construction of major infrastructure projects will continue well into the next century, putting Greece on a par with the rest of Europe. He points to new financing arrangements under consideration with an even stronger involvement of private initiative. The company that will organize the Athens 2004 Olympics has been set up, and preparations are already under way.

The Greek banking system is now functioning in a fully cooperative environment, and the Athens Stock Exchange has become the focus of increased activity. All major Greek companies are now listed, and privatization has gathered momentum.

The government has also moved to revise stock exchange legislation in order to make the Athens Stock Exchange more competitive. As a result, the exchange has outperformed all other recognized exchanges in the world, with a 61 percent growth in dollar terms since the beginning of the year.

"The government is committed to pursuing policies that guarantee stability, upgrade infrastructure and labor skills, and reinforce social cohesion. Greece's final preparations to face successfully the challenges of the 21st century in a unified Europe are well under way," says Mr. Papantoniou.

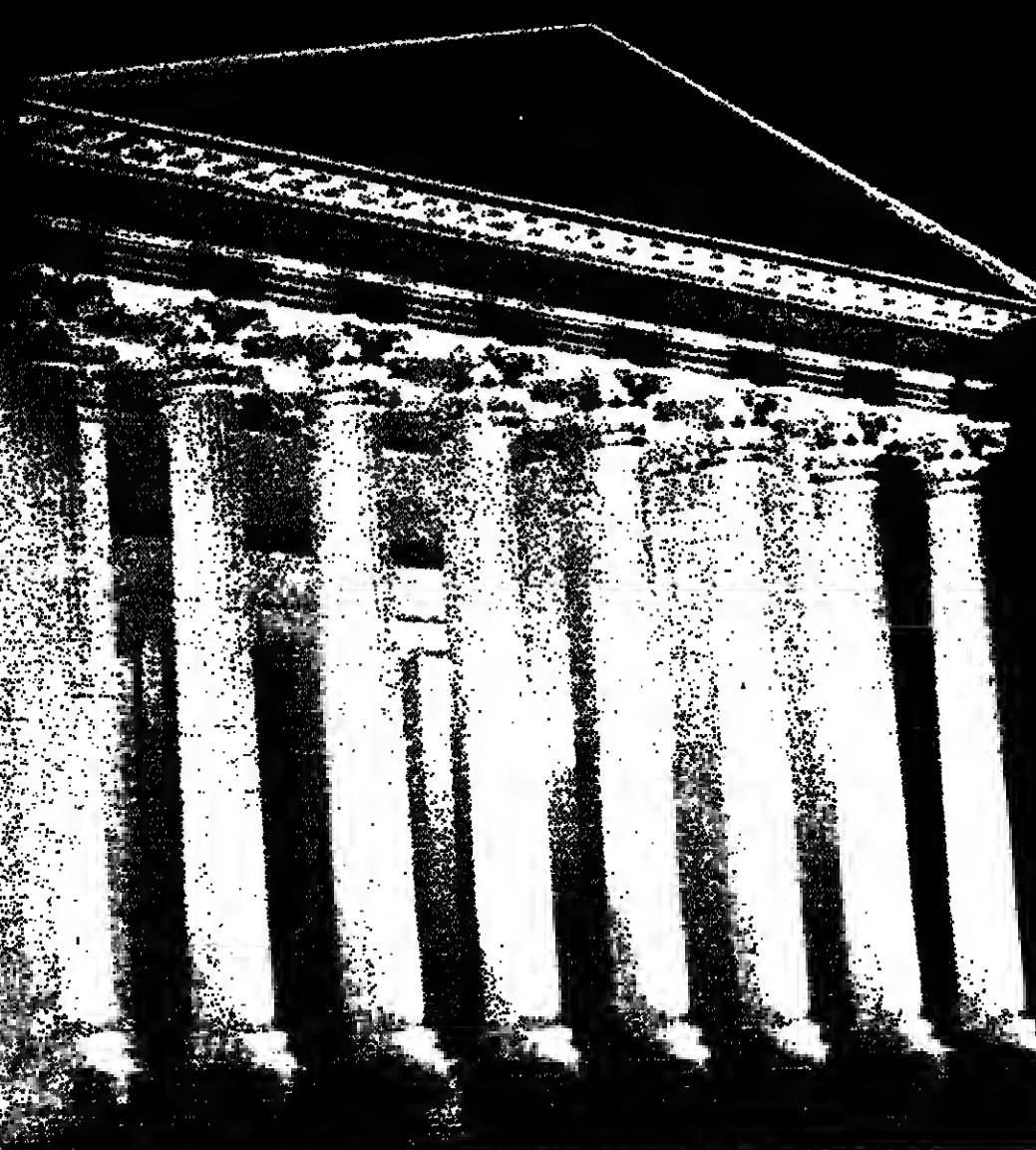
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## GREECE

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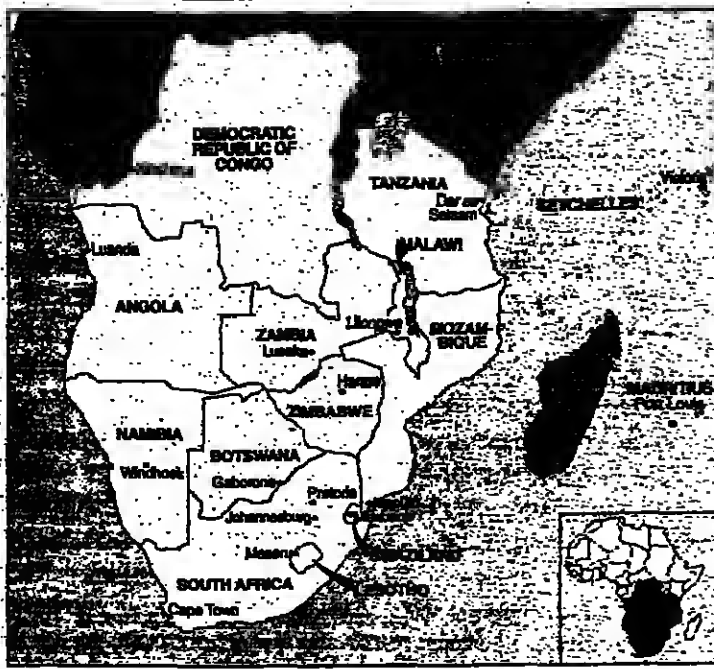
# SOUTHERN AFRICA

**ANGOLA**  
• Area: 1,47,000 sq. km. • Population: 11.2 million  
• Capital: Luanda • GDP per capita: \$427  
• Imports: \$1.6 billion • Exports: \$3.0 billion  
• Natural resources: diamonds, oil, oil products, fish, gas, wildlife, agricultural products  
Source: Banco Nacional de Angola

**BOTSWANA**  
• Area: 582,000 sq. km. • Population: 1.5 million  
• Capital: Gaborone • GDP per capita: \$3,303  
• Imports: \$1.7 billion • Exports: \$2.5 billion  
• Natural resources: diamonds, copper, nickel, cattle, wildlife  
Source: Botswana Central Statistics Office

**DEMOCRATIC REPUBLIC OF CONGO**  
• Area: 2,345,409 sq. km. • Population: 48.8 million  
• Capital: Kinshasa • GDP per capita: \$160  
• Imports: \$0.92 billion • Exports: \$1.83 billion  
• Natural resources: diamonds, coffee, copper, cobalt, gold  
Source: 1998 Official SADC Trade, Industry and Investment Review

**LESOTHO**  
• Area: 30,355 sq. km. • Population: 2.2 million  
• Capital: Maseru • GDP per capita: \$439  
• Imports: \$0.897 billion • Exports: \$0.142 billion  
• Natural resources: diamonds, wildlife, mohair, wool, water  
Source: Reserve Bank of Lesotho



**NAMIBIA**  
• Area: 824,268 sq. km. • Population: 1.7 million  
• Capital: Windhoek • GDP per capita: \$1,966  
• Imports: \$1.9 billion • Exports: \$1.6 billion  
• Natural resources: diamonds, uranium, cattle, fish, wildlife  
Source: Namibian Central Statistics Office

**SEYCHELLES**  
• Area: 455 sq. km. • Population: 0.09 million  
• Capital: Victoria • GDP per capita: \$6,960  
• Imports: \$0.25 billion • Exports: \$0.06 billion  
• Natural Resources: fish, cinnamon bark  
Source: 1998 Official SADC Trade, Industry and Investment Review

**SOUTH AFRICA**  
• Area: 1,221,000 sq. km. • Population: 42.3 million  
• Capital: Pretoria (Administrative capital), Cape Town (Seat of Parliament) • GDP per capita: \$2,689  
• Imports: \$22.4 billion • Exports: \$28.7 billion  
• Natural resources: gold, coal, platinum, iron ore, copper, timber, sugar, fish, wildlife  
Source: South African Reserve Bank

**SWAZILAND**  
• Area: 17,364 sq. km. • Population: 0.94 million • Capital: Mbabane • GDP per capita: \$1,239  
• Imports: \$1.039 billion • Exports: \$ 0.705 billion  
• Natural resources: sugar, food products, wood, pulp, wildlife  
Source: Swaziland Central Statistics Office

**MALAWI**  
• Area: 118,080 sq. km. • Population: 10.7 million  
• Capital: Lilongwe • GDP per capita: \$206  
• Imports: \$0.425 billion • Exports: \$0.311 billion  
• Natural resources: tobacco, tea, sugar, fish, wildlife  
Source: Central Bank of Malawi

**MAURITIUS**  
• Area: 1,968 sq. km. • Population: 1.13 million • Capital: Port Louis • GDP per capita: \$3,039  
• Imports: \$2.0 billion • Exports: \$1.6 billion  
• Natural resources: textiles, sugar, wildlife  
Source: Mauritius Central Statistical Office

**Mozambique**  
• Area: 802,000 sq. km. • Population: 18 million • Capital: Maputo  
• GDP per capita: \$1,62  
• Imports: \$0.989 billion • Exports: \$0.132 billion  
• Natural resources: prawns, fish, coconut, coal, semiprecious stones, wildlife  
Source: Banco de Moçambique

**Tanzania**  
• Area: 945,200 sq. km. • Population: 32 million  
• Capital: Dar es Salaam • GDP per capita: \$218  
• Imports: \$1.3 billion • Exports: \$ 0.763 billion  
• Natural resources: cotton, coffee, cloves, sisal, cashew nuts, tea, tobacco, minerals, wildlife  
Source: Tanzania Central Statistics Office

**Zambia**  
• Area: 753,000 sq. km. • Population: 9.8 million • Capital: Lusaka  
• GDP per capita: \$344 • Imports: \$1.1 billion • Exports: \$ 1.2 billion  
• Natural resources: copper, zinc, cobalt, electricity, lead, wildlife, agricultural products  
Source: Bank of Zambia

**Zimbabwe**  
• Area: 391,109 sq. km. • Population: 11.9 million • Capital: Harare  
• GDP per capita: \$624 • Imports: \$1.5 billion • Exports: \$1.1 billion  
• Natural resources: asbestos, gold, copper, nickel, tobacco, agricultural products, wildlife  
Source: Reserve Bank of Zimbabwe

## SADC: PROFILE OF A DYNAMIC REGION

Several SADC countries achieved high marks in a pan-African study.

Southern African Development Community (SADC) nations have been moving away from isolation and patterns of low growth over the past few years as they adopt free-market principles: increasing privatization, minimizing state intervention in the economy, lowering barriers to trade and foreign investment, and implementing other structural adjustments.

"The regional market acts as a launch pad for the national SADC economies to penetrate the world market," says Mr. Heymans.

South Africa has a massive trade surplus with the region. "Trade is characterized by unprocessed primary commodities entering South Africa and manufactured and semi-processed intermediate goods going in the other direction," Mr. Heymans continues. The DBSA believes this is unsustainable and notes that the South African government has adopted a strategy that targets regional development through developing trade and investment relations.

SADC has introduced numerous instruments to support greater intra-regional trade and investment.

"Intra-regional trade is now widely recognized as a crucial factor in the region's prosperity," says Chris Heymans, editor of the Development Bank of South Africa's 1998 Development Report.

Trading partners  
Fiscu estimates that under SADC's Programme for Action, there were 404 projects — valued at \$8 billion — at the end of July 1998. Of this, the transportation and communications sector accounts for 174 projects, worth \$6.5 billion.

Intra-SADC trade ac- Continued on page 23

## 'AFRICAN RENAISSANCE' TAKES SHAPE IN THIS LARGE MARKET

The SADC-region is flexing its financial muscle. Lower inflation, declining government deficits and some budget surpluses bode well for the future.

Investors and traders are taking a keen interest in the 14 countries forming the Southern African Development Community (SADC), with their 199 million people and combined gross domestic product of \$176 billion. South African Deputy President Thabo Mbeki has referred to an "African Renaissance," and many people hope this will be a guide to the future. President Clinton took up this theme on his African safari last March.

The 1998 SADC annual report notes that the average economic growth rate of all SADC economies was around 4.1 percent in 1996, compared with 6.4 percent growth in developing countries. Six countries — the Democratic Republic of Congo (DRC), Namibia, Seychelles, South Africa, Swaziland and Tanzania — recorded growth rates of under 5 percent. The best achievement, albeit off a low

base, were Angola, Lesotho and Malawi, with growth rates of around 12 percent.

With the Asian financial crisis and the El Niño weather negatively affecting the region in 1997, SADC's average growth rate fell to 2.2 percent, below the 5.9 percent average of developing economies.

### Good indicators

For this year, SADC authorities expect the region's economies to grow faster than the rest of Africa and other developing economies.

"It may be premature to assess the impact of the Asian crisis," says Bongi Kumene, outgoing director of SADC's Finance and Investment Sector Coordinating Unit, "but the effect on SADC seems to be minimal because the

regional financial markets are not as globally integrated as the financial markets in the rest of the world."

Standard Bank expects the sub-Saharan region to increase its growth rate from 3.2 percent in 1997 to 3.7 percent in 1998.

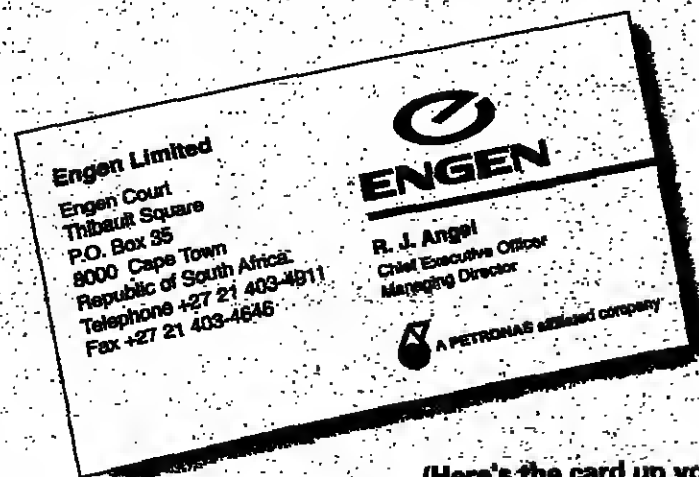
The region is having some success in curtailing inflation, reflecting the changing phase in economic management — particularly the commitment to tighter monetary and fiscal policies.

In 1997, only Angola and the DRC recorded annual inflation rates above 25 percent. Tanzania, Zambia and Zimbabwe recorded inflation above 10 percent.

Accompanying lower inflation is declining government

Continued on page 23

# There's a wealth of opportunity in the African energy industry.

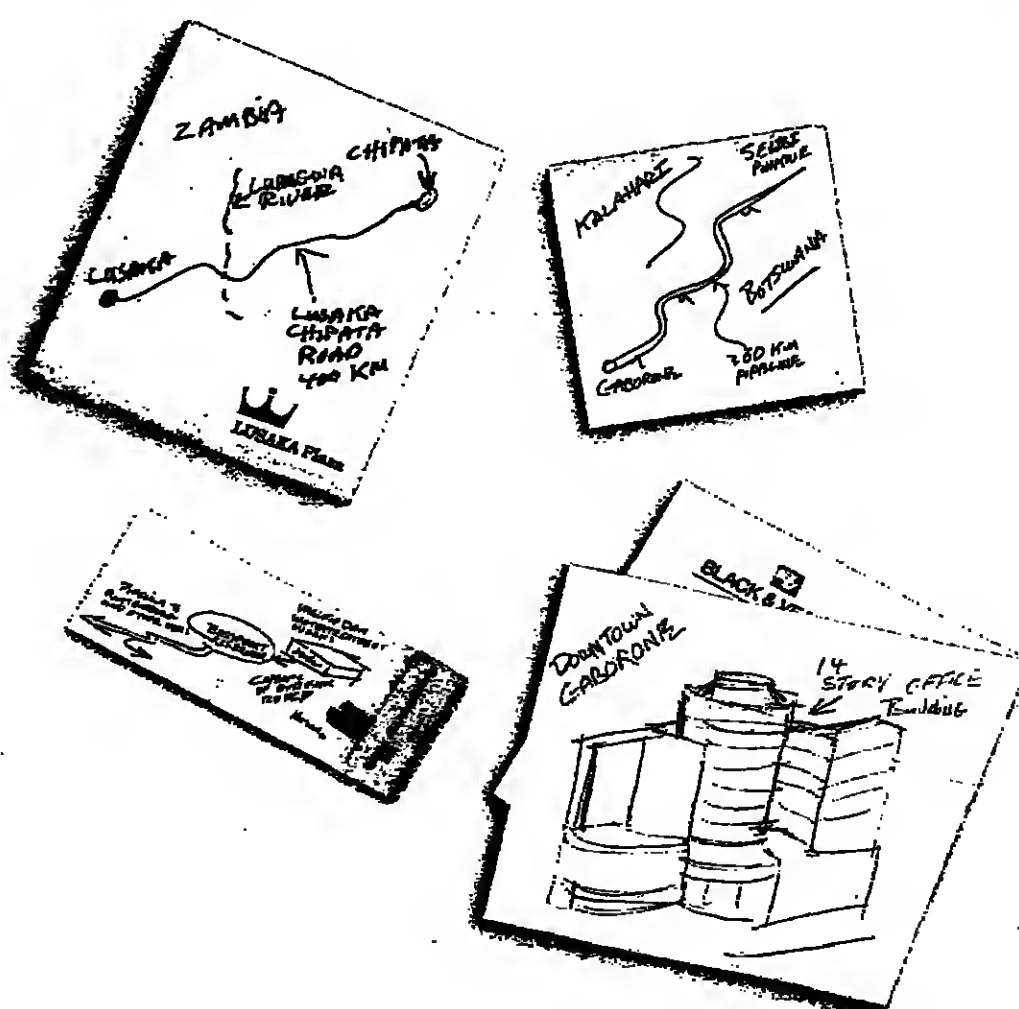


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## SOUTHERN AFRICA

### CAPITAL IS FLOWING ACROSS THE BORDERS

Many companies have made solid financial commitments.

Last year, foreign direct investment in the Southern African Development Community (SADC) countries totaled \$3 billion, double the average levels of the 1990s. The amount, is, however, only 1 percent of the continent's GDP and half the average for the developing countries as a whole, says Rocco Rossouw, managing director (African Banking group) of Standard Bank.

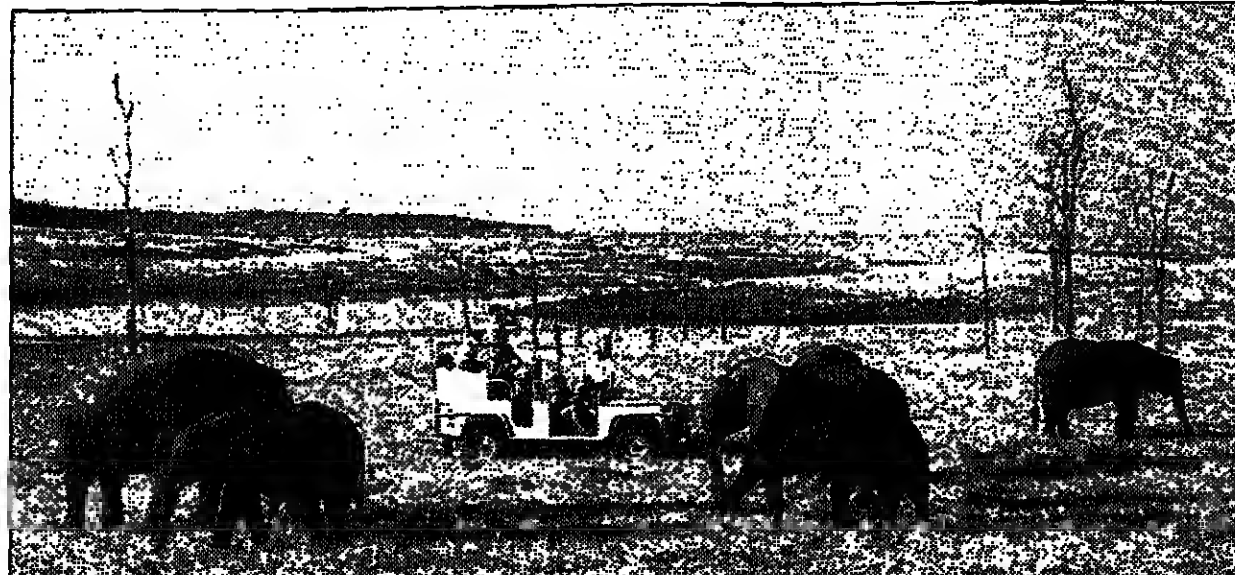
"Economic liberalization in much of the region," says Richard Saunders, a researcher at BusinessMap, "has seen the loosening of restrictions on capital flows, relaxation of foreign exchange controls, opening of domestic financial sectors to foreign participation and other measures aimed at stimulating investor confidence. Also, many South African companies are buying back into their former regional interests. At the front of this wave is a growing collection of South African companies for whom an African strategy is no longer a sideline option but a mainstream aim."

South Africa's Department of Trade and Industry notes that, in fiscal year 1997-98, 325 South African firms invested 418 million rand (\$73.94 million) in SADC countries and that, since 1995, South African firms have invested nearly 2.5 billion.

#### New market vision

"While official statistics show moderate increases in capital inflows," says Mr. Saunders, "a closer examination on a deal-by-deal basis reveals more investment activity." BusinessMap's data suggest that South African firms are establishing and consolidating a strong base in the region.

Since 1994, South African investment into the other 13 SADC countries has surged from less than \$50 million to more than \$4 billion in the first nine months of the year. Mr. Saunders believes that South Africa's increasing the limit on foreign exchange investments into the region from 50 million rand to



A safari amid the elephants at Karika Lake, Zimbabwe. The superb wildlife in Southern Africa makes it a natural favorite for tourism.

250 million rand is having an effect. "The changing policy environment in the SADC region and a new market vision are good reasons that this increased flow of investment could be sustained if not further strengthened."

Name brands BusinessMap highlights Mozambique as an area of substantial activity. New South African projects worth nearly \$760 million (up from \$5.1 million in 1996) in delivered commitments began this year. Mining and related activity

Large regional franchises and retailers are seen in a number of countries, including Namibia, Mozambique, Zambia and Zimbabwe

remain the largest source, growing strongly after increased exploration in the early 1990s and more recent commitments to mega-projects like the Mozal aluminum smelter project in Mozambique," says Mr. Saunders.

"Cross-border capital flows into less traditional havens of investment — including financial services, tourism and wholesale and retail business — have grown even faster. South Africa's larger retailers and franchises are seen in a number of countries, including Namibia, Mozambique, Zambia and Zimbabwe."

Mr. Saunders estimates that in the first half of this year alone, at least eight new investments by South African re-

tailers — worth more than \$37 million — were announced.

"This is perhaps more than five times the volume of activity of the previous year. Some cite the pull of untapped market opportunities in the region and the push of relative saturation in the high-cost, comparatively low-return South African market as standing behind their increase in regional stakes. In some retailing sub-sectors, profit margins over the border are reported to be four times those seen inside South Africa."

#### Tourism boost

South African investments in regional tourism have also grown rapidly, from about \$10 million in 1997 to at least \$112 million this year. "The spin-offs of new fixed investments and management deals," says Mr. Saunders, "point to a range of regional opportunities for well-established South African services. Investments in hotels and safari ventures represent a first phase of involvement, and the development of secondary services (like regional tourist packages and inter-airline management deals) are lucrative follow-ons."

In the financial services sector, the region's foreign direct investment has accelerated from perhaps \$20 million in 1995 to at least \$60 million in the first six months of the year. Mr. Saunders continues: "Many financial companies say they are following the trend, but the rate of growth in current activity would indicate this is only part of the story. Like retailers and wholesalers, they are seeking to build a strong regional base."

Of course, multinational companies have long been present in the region. Shell, BP, Mercedes-Benz, BMW, Nestlé, Kellogg, Coca-Cola and McDonald's are just a few examples from Europe and Asia.

The financial crisis in Asia, however, is likely to affect investment from that part of the world.

Malaysian and South Korean companies have been relatively large investors in the region. SADC's 1998 annual report says that "very little, if any, new investment can be expected from Southeast Asia over the coming years."

#### High profiles

The report notes that Malaysian investment in South Africa includes high-profile investments in telecommunications parastatal Telkom and energy group Engen.

### THE FINANCIAL MARKETS UNITE TO CREATE SYNERGY

Neighbors share technological, investment and legal know-how.

The Southern African Development Community's Finance & Investment Sector Coordinating Unit (Fiscu) estimates that SADC attracts only 2 percent of the emerging markets' portfolio funds. In a bid to boost capital and investment flows, the SADC Committee of Stock Exchanges was formed last year as a private-sector initiative within the SADC framework. SADC members with established exchanges are Botswana, Malawi, Mauritius, Namibia, South Africa, Swaziland, Zambia and Zimbabwe. Lesotho plans to establish an exchange before the end of this year.

autonomous national markets and find ways of using technology, skills-sharing, dual-listing and cross-border investment within SADC to combine forces and speed development," he says.

Objective: strength Rocco Rossouw, Standard Bank managing director, Africa Banking group, believes that "if capital markets can deepen, widen and strengthen, as is the objective, then shares on the smaller African bourses — and those of firms coming to these markets — could perform well over the long term." Ironically, the low amounts of private capital flowing into the region

The Committee of Stock Exchanges and Association of Commercial Banks are coordinating developments in the financial markets

are partly responsible for the region's relative insulation from the turmoil in global financial markets.

A Standard Bank spokesperson notes that the SADC region has in general been spared much of the troubles that have afflicted emerging markets since mid-1997 and that, outside South Africa and Zimbabwe, regional stock markets have "performed rather well, with only minimal offloading of shares on local bourses."

The Mauritius and Botswana exchanges have registered strong gains.

#### Central bank cooperation

The story is different on the foreign exchange market, where the South African rand lost some 20 percent against the U.S. dollar in the first half of this year before recovering. The effects spread to other SADC currencies, since South Africa is a major trading partner and investor in the region.

The SADC Committee of Stock Exchanges and SADC Association of Commercial Banks are coordinating regional developments in the financial markets. The SADC central banks are cooperating on issues of legal standing and practices in order to facilitate cross-border financial transactions.

### FDI INTO THE REGION: A SAMPLE OF LARGE INVESTMENTS, 1997-98

- Mozambique-UK: Mozal Billiton, IDC, Mitsui Metals, \$1.2 billion, 1997-98
- Zimbabwe-UK: Sengwa Thermal Power Station National Power Energy, \$442 million, 1998-2004
- Zimbabwe-Australia: Hartley Platinum Mines Delta Gold, \$432 million, 1998
- Tanzania-South Africa-UK-Canada: Four Mines Consortium, \$350 million, 1998-2000
- Zimbabwe-Australia Hartley Platinum Mines BHP Minerals, \$289 million, 1998
- Malawi-South Africa: Sugar Corporation of Malawi (Sucoma) Illovo Sugar, \$263 million, 1997

Source: BusinessMap



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## SOUTHERN AFRICA

### EXPORTS ARE SUPPLEMENTING NATURAL RESOURCES

SADC countries are diversifying their economic base. Manufacturing, services and tourism are some of the growing sectors.

Agriculture and mining are the two major contributors to the Southern African Development Community (SADC) region's economy and are the main foreign exchange earners. Earnings from mining, however, are down because international commodity prices are weak and demand from Asian economies has dropped.

According to Standard Bank, most SADC countries

have an inadequate industrial base, and regional exports are biased toward the sale of primary goods.

"Regional economies require large investment to diversify their narrow economic base into manufacturing," says Managing Director (Africa Banking group) Rocco Rossouw.

The bank does note progress. In Namibia, a diamond-cutting and polishing facility worth 17 million

Namibian dollars (\$3 million) has been launched, fish processing is gaining in importance, and the establishment of an export processing zone has attracted investors in the textile and automobile sectors.

Botswana is becoming an important motor assembler and exporter. Mozambique has received more than \$6 billion in investment pledges.

Ben Alberts, Iscor Mining's managing director, enthuses about the potential.

"Copper especially offers huge opportunities for us. South Africa can assist the region with skills, know-how and infrastructure."

Friendly neighbors

South African information services group BusinessMap finds investment activity becoming more diverse and substantial. While mining and related investments still lead the way in terms of larger commitments of capital, expanding activity in financial services, retail and wholesale, tourism and pharmaceuticals point in the direction of broad-based interest in the region.

"The growing reality of regional integration," says Richard Saunders, a researcher at BusinessMap, "increasingly presents opportunities — and to some extent, safeguards — to regional investors. The collapse of markets in East Asia, and growing pressures from globalization and world market competition, have led some firms to look to their own backyard for friendlier, more accessible markets and production facilities that can be managed or supervised from home."

Entry has been made easier in some cases, says Mr. Saunders, by comparatively low buy-in costs, especially in light of declining regional currencies. In a number of cases, a move into the region

marks a return to sectors and companies that had been — willingly or not — abandoned in the past.

"Development of a regional base," he says, "represents the best hope of survival in the current turbulent international markets. In a variety of sectors, South African companies are aiming to establish a presence throughout the region with the aim of building on it in the future. This development has been accompanied by an increasing eagerness to enter into partnerships with local firms in different countries in order to access their established expertise and market position."

Some analysts believe the

price of crude petroleum fell by more than 10 percent over the same period; this will affect Angola, which earns four-fifths of its export proceeds from the commodity.

Countries that export horticultural produce or rely on tourism from Europe will be less affected.

Weathering the bumps Despite these challenges, there is cause for optimism.

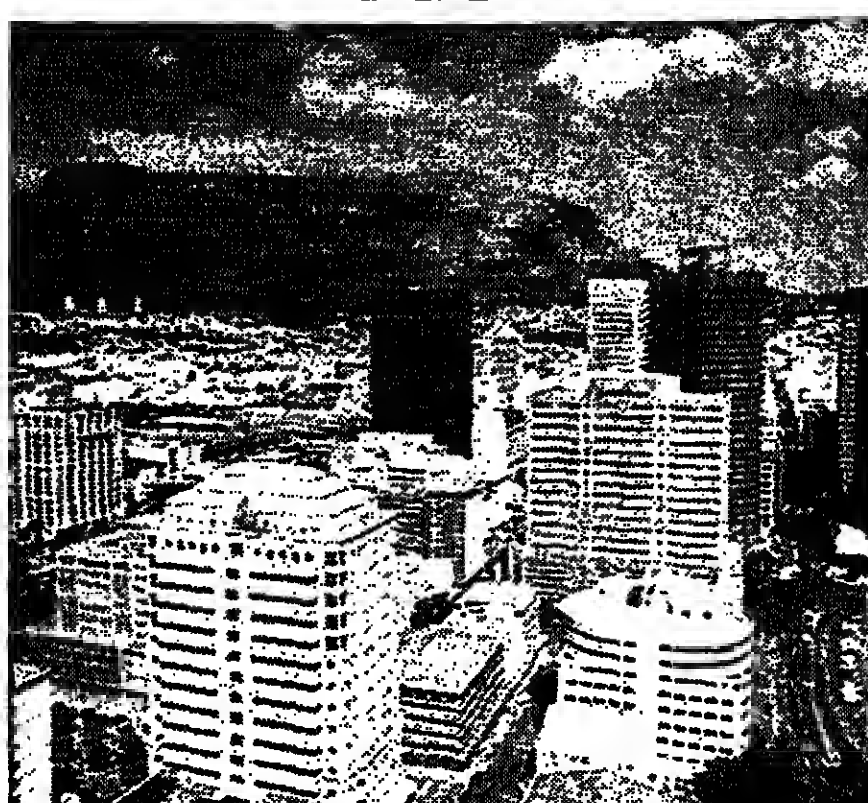
"The current problems," says Rocco Rossouw, managing director of Standard Bank's Africa Banking group, "should be viewed as bumps along the road. It is certainly premature to call the nascent recovery in the region a road to nowhere; there is some hope that a break has been made with the lost decades of the 1970s, 1980s and early 1990s."

"What is required is firm political commitment to implementing best international economic practice. The moves toward greater democracy put increased pressure on African leaders to perform in ways that should lead to an improvement in overall living standards over the longer term."

Premises for optimism

Mr. Rossouw's optimism is based on three premises: a stable and outward-looking South Africa that will continue to generate opportunities; the growing importance of partnerships among governments, business and labor; and a general agreement on the appropriate economic policies that accord with international practices.

"Much work remains," says Mr. Rossouw, "and the collapse of economies in Southeast Asia comes at an inopportune time — but the late 1990s is the first period since the 1960s when optimists have reasonable expectations of seeing their hopes turned into reality."



Scenic Cape Town welcomes private- and public-sector delegates to the Summit Dec. 1-2.

### CAPE TOWN CONFERENCE ON TRADE & INVESTMENT

The International Herald Tribune's fourth annual Southern Africa Trade & Investment Summit will take place in Cape Town on Dec. 1-2. It convenes investors, government leaders and business leaders.

Deputy President Thabo Mbeki of South Africa will give the opening keynote address and will be joined at the summit by President Festus Mogae of Botswana, Prime Minister Hage Geingob of Namibia and Prime Minister Pascoal Mocumbi of Mozambique. U.S. Secretary of Commerce, William M. Daley will also attend the event during the first leg of his tour of Africa, bringing with him a delegation of business representatives from the United States.

The summit will focus on the economic outlook for Southern Africa and opportu-

nities for investment in the SADC countries. In addition to the plenary sessions, delegates can attend sessions covering infrastructure, technology, tourism and mining.

Speakers from the region include Alec Erwin, South Africa's minister of trade and industry; Kaire Mbuende, executive secretary of SADC; Ian Goldin, chief executive and managing director of the Development Bank of Southern Africa; Michael Spicer, executive director of Anglo American Corporation.

International speakers will include European Commissioner João de Deus Pinheiro; Michael Power, director of Baring Asset Management; Noah Samara, chairman & CEO, WorldSpace Corporation.

Black & Veatch, Engen, Standard Bank and WorldSpace are summit sponsors.

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### PRIVATIZATION: GOING ONCE, GOING TWICE

It's "Open, Sesame" for local and foreign investors.

A critical component of the region's structural adjustment programs is privatization. Once a dirty word in the region's capitals, it is emerging as a leading form of investment in the Southern African Development Community (SADC) for both foreign and local investors.

Progress varies widely. Zambia is widely seen as the star performer in privatization, while Botswana and Namibia have not yet sold any state assets but have made a commitment to the process.

South Africa: the value leader

South Africa leads the way in value terms, but its progress in the sale of state assets is slow. The continent's biggest sale, of 30 percent in telecommunications group Telkom to U.S.-based SBC and to Malaysia's Telekom (\$1.3 billion), was made there. Other sales include six radio stations (500 million rand, or \$88 million), the small airline operator Sun Air (50 million rand) and a 20 percent interest in the Airports Company operator (to Italy's Aeroporti di Roma, for 819 million rand).

The next major sale is expected to be up to 49 percent of South African Airways, with a foreign airline likely to buy a stake of around 25 percent.

Balancing act

Zambia has sold the most assets. By March, 215 companies (from a portfolio of 312) had been sold, in addition to 198 commercial properties. But the Zambian government's inability to sell its two major copper mines (Nchanga and Konkola) thus far is a damper on its privatization progress.

Angola has sold \$80 million worth of state assets. Lesotho has privatized its national airline (\$2.2 billion) and has identified more than 30 companies to be sold. Malawi has sold five firms and estimates that it will sell a total of more than one hundred.

Mozambique has restructured around 740 enterprises and has sold large-scale enterprises in sea freight, consumer goods, brewing, sugarcane, tea, copra, gemstones and insurance. Tanzania has privatized 150 companies.

### THE 'RENAISSANCE'

Continued from page 21

deficits. In 1997, six SADC economies recorded budget surpluses, with Botswana and Mauritius recording surpluses of 8 percent and 4.5 percent of their GDP, respectively.

Constraints

The SADC economies continue to experience constraints in their balance of payments. Only five SADC economies (Lesotho, Namibia, Swaziland, South Africa and Zimbabwe), had current account surpluses in 1997. Import cover varies from more than two years in Botswana to 2.4 weeks in Angola.

Over the medium term and even the long term, most SADC economies will remain vulnerable to their external debt burdens. In its annual report, SADC identified four of its member countries as "extremely debt-stressed; their econo-

mies will continue to be highly vulnerable."

SADC members, encouraged by the International Monetary Fund's debt relief package to Mozambique, intend to honor their commitment to stabilize their macroeconomies.

The major prerequisite for regional prosperity is maintaining political stability. A decade ago, most SADC governments were one-party states or states under military rule. Today, the majority hold regular multi-party elections. Several SADC countries are holding democratic elections in 1998 and 1999.

The countries also need to move away from heavy reliance on natural resources by developing the manufacturing and tourism industries. Finally, since South Africa's GDP accounts for 70 percent of SADC's, the other countries need to increase their share.

### REGIONAL PROFILE

Continued from page 21

land (8), Lesotho (10), Zambia (12) and Tanzania (16) fall into the middle rankings.

The report attributes the relatively high level of competitiveness in Mauritius and Botswana to their stability (political and economic), well-managed economies and sound macroeconomic policies.

Growth pole

Countries generally regarded as "good reformers" (e.g., Mozambique) do not necessarily fare well in terms of competitiveness, illustrating the time it takes to strengthen institutions, infrastructure and the economy in general. While countries such as Mozambique obtain high rankings, it is in terms of the

Improvement Index and the Optimism Index.

Tanzania (3), Mozambique (4) and Zimbabwe (6) show the most improvement in terms of business environment over the past five years.

The World Investment Report (1997) explores the possibility of South Africa's becoming a "growth pole" for the region. Direct investment by South African companies in SADC can contribute to capital formation, as well as to the development of technology and human resources in the region.

South Africa is a potential market for exports from other SADC countries. More opportunities will be created when the SADC Free Trade Area, as set out in the Trade Protocol, comes into effect.



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## SPORTS

# Italy's Japanese Soccer Sensation

## Nakata, 21, Lifts Perugia and Ranks 5th on League Scoring Chart

By Paddy Agnew  
Special to the Herald Tribune

ROME — The foreign sensation of the Italian soccer season scored two more goals on Sunday.

Hidetoshi Nakata, a 21-year-old Japanese midfielder, struck twice as Perugia beat Piacenza, 2-0, in Serie A, taking his tally to six this season, to rank fifth on the Italian scoring chart.

When Perugia, which had just risen to Serie A, signed Nakata after the World Cup, the news provoked mixed reactions. Nakata's Web site took 1.5 million hits. But many in Italian soccer predicted a brief stay in one of soccer's most demanding leagues. Some cynically suggested that if Nakata had not dyed his hair red during the World Cup, no one would have even noticed him.

Three months into the Serie A season, Japan's most famous soccer player is a stunning success, not only proving himself an influential and goal-scoring midfielder but also a one-man tourist attraction and a small merchandising gold mine.

Nakata made a spectacular start for Perugia, scoring two goals in an hour-long 3-4 home loss to Juventus, the reigning champion, on the opening day of the season. As Perugia licked its wounds it consoled itself with the realization that the team's Japanese star "sa stare in campo" (can play all right).

Nakata is fast, aggressive and well-balanced. His sensational start in Italy has already prompted speculation that he will soon be moving on to pastures greener and bigger such as Juventus, Inter Milan or even Manchester United in England.

Such talk greatly amuses Alessandro Gaucci, Perugia's 25-year-old managing director and son of the club's owner, Luciano Gaucci. The younger Gaucci is the man responsible for bringing Nakata to Perugia and he says the team has on intention of letting their newfound star leave.

"We were smart but we were also lucky in our purchase of Nakata," said Gaucci. "Frankly, we've discovered that he's even better than we thought. But I can tell you this, he's not for sale. If things go well this season and we stay up in Serie A, then we'll be looking to strengthen the side even more next season with an eye on qualifying for the UEFA Cup. With plans like that, then

we'd be mad to sell Nakata."

After the victory Sunday, Perugia is a respectable ninth in the 18-team league.

Perugia bought Nakata's contract for \$3.3 million just after the World Cup. It was a commercially astute investment. Nakata may have been unknown in European soccer, but in his native Japan he is nothing less than a superstar.

Since the beginning of the season, Perugia has sold more than 25,000 Nakata, No. 7 shirts to Japan. The shirts, made by the sportswear firm Caler, which is owned by the team and run by Gaucci, Alberto Di Chiara, a club spokesman and a former player for Parma and Italy's national team, reckons that the demand for club shirts could go well past the 100,000 mark for a profit of about \$500,000 for the club.

Di Chiara is one of many Italians amused by the huge Japanese media interest in Nakata. A Japanese press corps of about 20 reporters and photo-reporters is permanently based in Perugia. When

Perugia played in a preseason friendly match against the amateur team Norcia in mid-August, it was deemed worthy of live television coverage in Japan.

As it is, all Perugia's Serie A games are transmitted live in Japan by the pay television channel, while another station shows extended highlights.

Gaucci says the Japanese media presence is something of a problem: "It's hard to find something new" to tell the reporters on a daily basis, he said.

Nakata hates the media and refuses to talk to the press, so stories in Japanese sports tabloids often begin: "Nakata refused to talk to reporters yesterday..." accompanied by a photograph of Nakata walking toward his car.

He recently told his Japanese fans via Internet: "Don't buy the newspapers please."

Interviews with Italian journalists have to be done via his official interpreter, Nobu, and often after two or three minutes of translation, Nakata will respond: "Excuse me, could you be more precise with your question?"

In Japan, Nakata has even appeared on the cover of women's magazines that almost never feature men. There are at least five books out on him and two of them have sold 200,000 copies each.

Some Japanese describe him as obnoxious, but teenagers like him because he has an attitude, and the broader public because he seems to be his own man.

The seemingly constant Japanese interest in Nakata also expresses itself in a daily average of 10,000 hits on Perugia's modest Internet site.

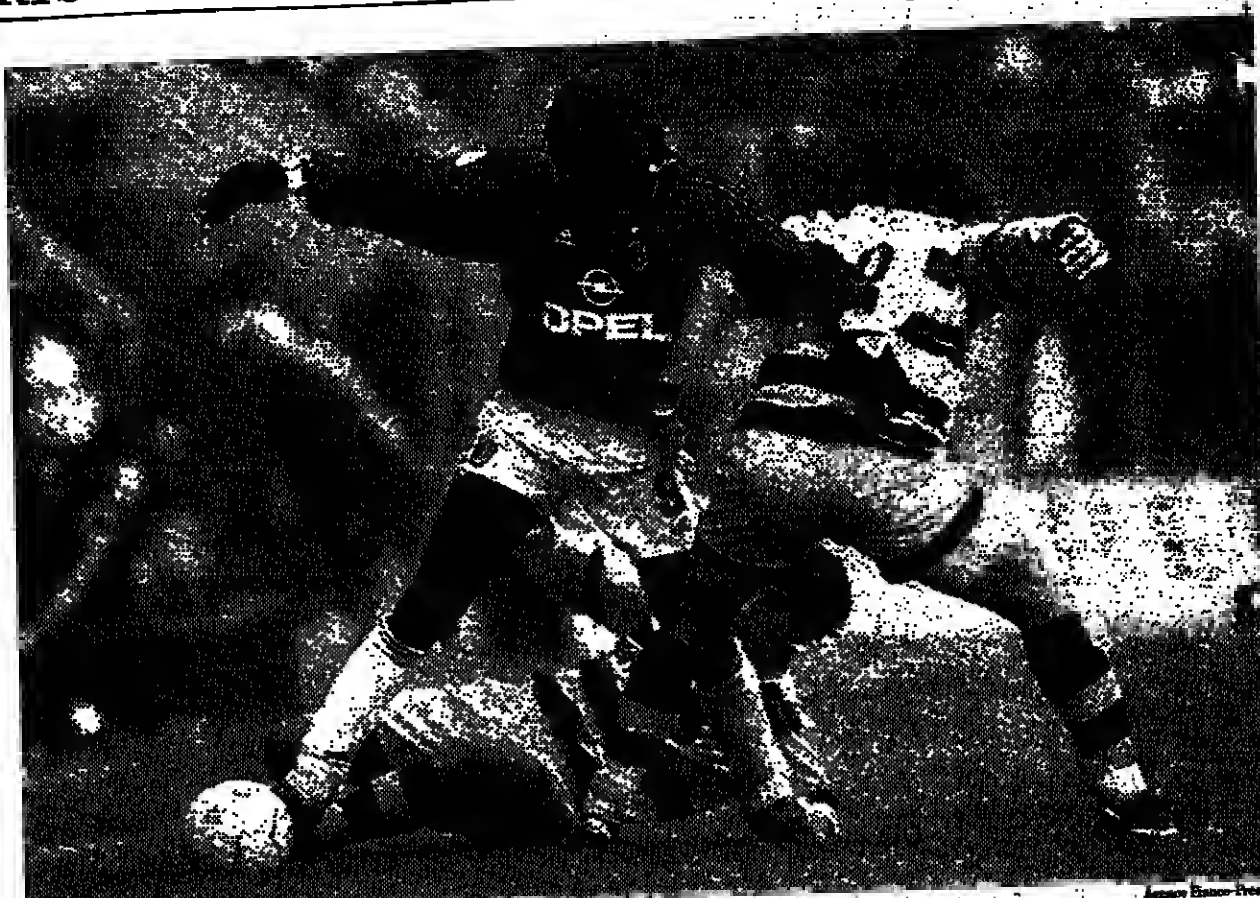
Both Japanese tour operators and local government officials in Perugia can sense the commercial possibilities offered by Nakata. Gaucci has held meetings with the Japanese company, Japan Travel Bureau, and with the president of the Province of Perugia, Mariano Borgognoni, with a view to coordinating further tourist activities.

About 5,000 Japanese tourists attended the opening day game against Juventus in Perugia. For most matches, an average of 300 tourists avail themselves of the Perugia-inclusive travel packages offered to tourists visiting Rome. Umbrian tour operators recently named Nakata an "ambassador" for the region.

Kathy Tolbert of the International Herald Tribune's Tokyo bureau contributed to this article.



Hidetoshi Nakata, left, getting praise from a teammate Sunday.



AC Milan's George Weah fending off Parma's Fabio Cannavaro, on ground, and Dino Baggio in a game Sunday.

## Bologna Trips Up Juventus, 3-0

The Associated Press

Juventus continued its free fall in Italy's Serie A when it lost Sunday, 3-0, at Bologna. Juventus, which has won the last two Italian league titles, had not lost at Bologna for 24 years.

Michele Parronchi, Giuseppe Signori and Davide Fontolan scored all the goals in the first half. Juventus was shut out for the third straight game. It has not scored since striker Alessandro Del Piero was lost for the season with a knee ligament injury.

Juventus was also without Didier Deschamps, the French midfielder, who was injured, and Paolo Montero, the Uruguayan center back, who was suspended.

Parronchi slipped in unchallenged to head in Signori's free kick just three minutes after the kickoff, and Signori made it 2-0 four minutes later.

The most glaring defensive lapse

came in the 28th minute, when Ciro Ferrara gave the ball away deep in his own territory, allowing Fontolan to score with a shot under the crossbar after a nice exchange with the Swedish striker Kenneth Andersson.

Juventus did not lose much ground in the standings, because Fiorentina, the league leader, drew, 0-0, at Bari, while AC Milan, which began the day in second place, was trampled, 4-0, by Parma.

Fiorentina's high-scoring attack force could not make a lot of progress against Bari's five-man defensive line, but Fiorentina's goalkeeper, Francesco Toldo, made several brilliant saves. Fiorentina held onto first place, and Parma leapfrogged Milan and Juventus to take second place.

Hernan Crespo, Parma's Argentine striker, scored twice. He has made seven goals in the last four games.

Inter Milan, without its Brazilian star

Ronaldo, continued its slow crawl up the standings, rallying with two goals in the last 15 minutes to beat Salernitana, 2-1.

Midfielders Diego Simone and Javier Zanetti saved Inter after Salernitana had taken the lead on David Di Michele's first career goal.

Staxien Wins African Cup

Club Sportif Sfaxien won the African Football Confederation Cup when it beat Jeanné d'Arc de Senegal, 3-0, Sunday, Agence France-Press reported from Sfax, Tunisia.

Sfaxien triumphed 4-0, on aggregate after winning the first leg, 1-0, in Dakar two weeks ago.

Mohamed Salah Meftah opened the scoring after 14 minutes and added a second goal in the 69th minute before Stander Souayah completed the shutout with five minutes left.

## For Volleyball's Guru, Sex Appeal Is Key to Future

By Steve Keating  
Special to the Herald Tribune

TOKYO — When Ruben Acosta walks into a room, it's easy to tell that looks matter.

Impeccably dressed in a Brioni suit and Italian loafers, the 64-year-old Mexican millionaire has the look and confident gait of a man running a Fortune 500 company, not that of the president of the world volleyball federation — even if it is the International Olympic Committee's largest member with 217 national associations.

Ruben Acosta is a man who dresses for success and he wants those dressing in the sport's showcase events to dress that way as well.

At the world championships, which ended Sunday in Tokyo, that meant that athletes had to slip into provocative, new skintight uniforms or risk being fined by the volleyball federation's fashion police — as five women's and seven men's teams were.

The uniforms designed to make the game more attractive to television, sponsors and advertisers, did bring the championships added exposure — but of a sort that many of the players were uncomfortable with. Often, their skintight uniforms shriveled with the first bit of exertion.

The federation is attempting to bring indoors the sex appeal of the beach version of the game. All surf, sun, and tanned athletic bodies, it has proved to be a ratings grabber.

And volleyball is preparing to undergo a more radical face-lift in an effort to secure its place in an increasingly crowded and competitive sports market.

## Italy Takes 3d Straight Volleyball Title

Reuters

TOKYO — Italy won gold and a place in the record books Sunday by demolishing Yugoslavia, 3-0, to become the first country to claim three consecutive world championship titles in men's volleyball.

After losing the gold-medal game at the 1996 Atlanta Olympics, Italy reclaimed its dominant position with a clinical victory over the Yugoslavs, 15-12, 15-5, 15-10, who were making their first appearance at the cham-

pionships after a 28-year absence.

Earlier, Cuba took the bronze medal with a 12-15, 15-6, 15-11, 15-12 victory over Brazil, the 1992 Olympic champion.

The Yugoslavs had swept the Italians in a quarterfinal clash four days earlier, but appeared to be unnerved by the noisy crowd in Tokyo.

Andrea Gardini, Italy's captain and a starter on all three gold-medal teams, said: "Today's match was like a masterpiece from all perspectives."

Since Paul Libaud, a Frenchman, founded the volleyball federation in 1947 over drinks in a small Paris café across from the Gare du Nord, little in the game has changed. But next year, the federation will employ a new scoring system as part of its drive to speed up the game.

Along with the controversial dress code, these championships also saw the introduction of a "libero" player, a defensive specialist who wears a different color shirt and can substitute freely, and a new multicolored ball.

"We must give volleyball a chance to survive," said Acosta, defending the changes to a roomful of hostile media. "Sports that don't have the favor of television will fade away — that is a fact, that is the reality."

"It was decided volleyball needs more speed and power," he said. "Look at the most popular sports, Formula One, soccer, athletics — they all have speed and power every moment."

"Volleyball does not want to be a conservative sport. You have to sell your event and people are not willing to buy something that has no value. The uniform changes, rule changes, new balls are all directed at making the sport a more interesting product to television and sponsors," he added.

Some of those in the sport are unhappy, particularly with the dress code. "There's no way our women will be wearing those," said Doug Reimer, head coach of the Canadian women's team, referring to the new skintight uniforms.

Over the course of the monthlong competition, federation officials — at Acosta's insistence — cajoled, fined and finally paid off teams to conform to the new dress code. The final bit of business at the championships was not the presentation of the winner's trophy, but the most fashionable team award as judged by an expert panel — headed by Acosta.

Cuba, a country never at the forefront

of world fashion, went home with women's gold, a men's bronze and both best-dressed team honors.

But, as one federation official said, the cash strapped Cubans would have worn sarongs and sombreros if it meant winning the \$10,000 best-dressed prize.

Italy, meanwhile, a country that prides itself on fashion sense, had both its men's and women's teams fined for sloppy dress. The Italians, who wore baggy shorts but won the men's gold medal for a record third straight time, laughed off their perceived poor taste.

Doug Beal, coach of the American men's team, warned that in the United States, where feminist sensitivities are taken seriously, forcing players into provocative outfits is no joke.

Beal, whose team was fined \$3,000 for wearing loose clothing, said the federation was "just asking for problems," especially from the women's team. He said that particularly in North America, where women's issues can be touchy subjects and easily litigated, "This could end up in court in a heartbeat."

Acosta is determined to proceed. He said that by the time the sport returns to Japan next November for the World Cup, which will also act as the qualifying tournament for the 2000 Olympics, everyone will be on the same fashion page.

"We are going to take a stronger stance in the future," said Acosta. "We will take measures to make sure the uniforms comply with our standards before accepting the registration of the teams."

"They will have to send pictures of the players in the uniforms and sign a document saying they agree to wear them," Acosta said.



Andrea Gardini, left, and Marco Bracci helping Italy to a 3d title Sunday.

## Slim Victory for Australia Over England

Compiled by Our Staff From Dispatches

England produced the only spark of inspiration, but Australia still won the match.

John Eales, the Australia captain, kicked four penalties as the Wallabies

### RUGBY UNION

won their rugby union international, 12-11, Saturday at Twickenham.

The English have not beaten one of the three powerful Southern Hemisphere nations since 1995.

"We can stand toe-to-toe with these guys," said Lawrence Dallaglio, England's captain. "There is no doubt about that, but we've got to win these games."

England took the lead with the only try of the match with 10 minutes to play. Matt Perry, the fullback, sliced through the Australian defense. Darren Garforth, a prop, carried the ball forward and Jeremy Guscott touched down. But Mike Catt missed the conversion leaving Australia needing only a penalty to win the match.

It was the last match of the season for the Wallabies, who have lost only to South Africa this year.

"It was a skinny win but a win," Eales said. "It's been a great fun year and I am very pleased how it has gone."

Ireland 13, South Africa 27 South Africa equaled the longest winning streak in international rugby union when it won Saturday in Dublin. The 17-match run began with a 61-22 victory over Australia in Pretoria in August 1997.

The South Africans won the game early in the second half when Bobby Skinstad and Joost van der Westhuizen both touched down in the space of two minutes.

But they had to work hard for the victory. The Irish dominated the first

half and attacked fiercely with forward Paddy Johns, Victor Costello and Kieran Wood making drives through the middle.

After South Africa scored its first try, Wood retaliated with the only Irish try. His team camped close to the Springboks line, but a solid South African defense denied Ireland a second try.

Scotland 25, Portugal 11 Scotland trounced Portugal in Edinburgh in a World Cup qualifying game Saturday.

(AP, Reuters)

## Ex-Player Says Drugs Are 'Rife' in Rugby

Compiled by Our Staff From Dispatches

LONDON — The Welsh rugby union said Sunday it would investigate claims by J.P.R. Williams, a former Wales and British Lions' star, that drug abuse was rife in the game.

"It is fairly well recognized that certain players have been on anabolic steroids and haven't been tested," Williams told the Sunday Times.

Mike Burton, a former British Lions forward, agreed with Williams. "Drugs are a problem," the newspaper quoted Burton as saying. "It's obvious from some of the body shapes

you see that they are not natural."

Jeff Probyn, a former England forward, said: "There are people who train their socks off and you can see the gradual increase, but others put on a large amount of weight in a few months and that is impossible without some form of enhancement."

No player has tested positive for steroids in English rugby union, but two Welsh players have. The newspaper said 250,000 players turned out every weekend last season for English club games but that only 65 drug tests were carried out.

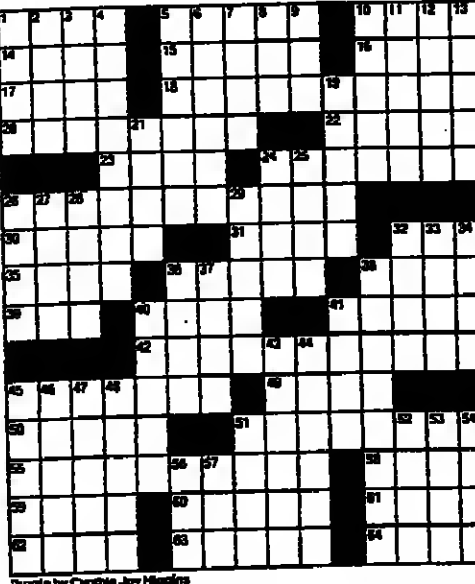
## CROSSWORD

### ACROSS

- 1 Number on a baseball card
- 5 Beginning with frost
- 10 Live most nursery rhymes. Abbr.
- 14 Twosome
- 16 To have, in Paris
- 18 Timber wolf
- 17 Wheel rotor
- 18 Butcher's ship?
- 20 Squander
- 22 "To your health," e.g.
- 23 A fisherman may spin one
- 24 Museum V.I.P.
- 26 Postal worker's ship?
- 28 Gulf Coast bird
- 31 Yemeni port
- 32 Second addendum to a letter. Abbr.
- 33 Most people born in August
- 36 Spoke wildly
- 38 Codger
- 39 Pins or penny preceder
- 40 Fillet of —
- 41 Beta's follower
- 42 Marquis's ship?
- 45 Summer park event
- 46 Boaters pull them
- 50 Informed (of)
- 51 Storm protectors
- 52 Highlighter's ship?
- 53 Pass over
- 55 Espies
- 56 Becomes accustomed (to)
- 57 Egypt's main water supply
- 58 Misses the mark
- 59 Tower of —
- 64 Grades 1-5. Abbr.

### DOWN

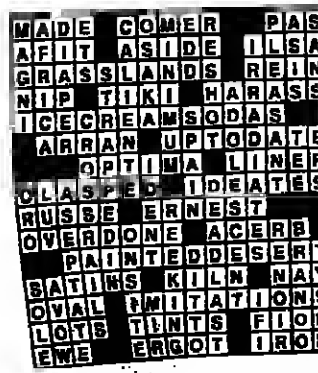
- 1 Meet in a car
- 2 Curbside call
- 3 Is under the weather
- 4 Railroad bridges
- 5 Actions
- 6 Anderson of "Baywatch"
- 7 Turnpike
- 8 Prestigious sch. near Boston
- 9 Rainbow
- 10 Choir voices
- 11 Shipping, as an event
- 12 Party and then some
- 13 Sur's opposite, in Mexico
- 19 Sometimes illegal auto maneuver
- 21 Trinity
- 24 Beach washer
- 25 Critic Rex
- 26 Sandwich that's been heated
- 27 "A Death in the Family" author
- 28 Multivitamin supplement
- 29 Get tangled
- 30 Flashy fruit
- 32 Magnificence
- 33 Fishy fruit
- 34 Polars, e.g.
- 36 Crowd sound
- 37 Came down
- 38 Crowning event
- 40 Show soon
- 41 Braced
- 42 Stick (to)
- 44 Victory emblem
- 45 — célèbre
- 46 Tenant's counterpart
- 47 Consumerist Ralph
- 48 Green garnish
- 51 Rebuff
- 52 Olympic track champion Zatopek
- 53 Tick off
- 54 Flower holder
- 56 Conservative's foe: Abbr.
- 57 — heartbeat (instantly)



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### Solution to Puzzle of Nov. 27





## SPORTS

## Tennessee Eyes the Fiesta Bowl

Victory Over Vanderbilt Puts No. 1 Team Step Closer to National Title

The Associated Press  
Tennessee's No. 1 team in the Bowl Championship Series rankings, ahead of two other unbeaten teams, UCLA and Kansas State.

The two teams in the series standings will meet Jan. 4 in the Fiesta Bowl.

They're a well-deserving No. 1," said Woody Widenhofer, the Vanderbilt coach, after his team lost Saturday to Tennessee in Nashville.

"In the four years that I've been here, this is the toughest team they've had," he said.

UCLA and Kansas State each have a game left to play. The Bruins will play Saturday at No. 19 Miami, while Kansas State meets No. 6 Texas A&M for the Big 12 championship in Stillwater.

Tennessee intercepted four passes, recovered two fumbles and converted those turnovers into 24 points to beat Vanderbilt (2-9, 1-7) for the 16th straight time.

"I don't think we did anything wrong here today," said Peirce Price, the Tennessee receiver, who caught seven passes for 181 yards, including a 67-yard touchdown.

USC 10, No. 9 Notre Dame 0 in Los Angeles, Chad Morton rushed for 100 of

his 128 yards in the second half, and Southern California's defense was at its best against the Irish.

The game was scoreless until the freshman quarterback for USC, Carson Palmer, scored the first touchdown of his career on a 2-yard bootleg, capping a 64-yard, five-play drive on USC's second possession of the third quarter.

Adam Abrams kicked a 23-yard field goal 3:18 later to complete the scoring.

The victory was the third straight for

USC (8-4) over Notre Dame (9-2) after the Irish went 12-0-1 against the Trojans from 1983-1995. Notre Dame, playing without its injured quarterback, James Jackson, committed five turnovers — four of them interceptions.

No. 17 Michigan 48, Hawaii 17 in Honolulu, Anthony Thomas ran for 104 yards and three scores in the first half, and Tom Brady threw two touchdowns passes to Tai Streets — also in the opening 30 minutes — as Michigan routed Hawaii (0-12).

The Wolverines (9-3) kept alive their hopes of landing a good bowl berth and extended the Rainbows' losing streak to 18 games, currently the longest in college football.

No. 17 Georgia Tech 21, No. 12 Georgia 19 in Athens, Brad Chambers kicked a 35-yard field goal with two seconds remaining as Georgia Tech (9-2) ended a seven-year losing streak against Georgia (8-3).

The Yellow Jackets, co-champions of the Atlantic Coast Conference, had not beaten Georgia since 1990, losing in the

last three years by a combined margin of 13 points.

No. 16 Virginia Tech 26, No. 20 Virginia Tech 28 in Blacksburg, Virginia, Ahmad Hawkins caught a 47-yard touchdown pass from Aaron Brooks with 2:01 remaining to cap a big second-half comeback by Virginia.

The Cavaliers, who overcame a 29-7 halftime deficit, marched 93 yards in six plays for the winning score.

Virginia (9-2) is going to the Peach Bowl, while Virginia Tech (8-3) is still waiting for a bowl bid.

No. 21 Syracuse 60, No. 19 Miami 13 in Syracuse, New York, Donovan McNabb ran for three touchdowns and threw for two as the Orangemen won the Big East title and earned a berth in the Bowl Championship Series.

Syracuse (8-3, 6-1), which will play in the Orange Bowl or Sugar Bowl, scored the most points against Miami (7-3, 5-2) since the Hurricanes lost to the Orangemen 56-16 in 1970.

No. 22 Penn St., 51, Michigan 48, 28 in State College, Pennsylvania, Eric McCoo rushed for 206 yards, and David Macklin and Anthony King returned interceptions for touchdowns as Penn State strengthened its case for an eighth straight Jan. 1 bowl.

McCoo also scored a touchdown and Travis Forney kicked a career-high five field goals for the Nittany Lions (8-3, 5-3 Big Ten), who have a chance to go to the Outback Bowl after finishing their home schedule unbeaten for the first time since 1994.

Michigan State (6-6, 4-4) did not qualify for a bowl despite victories over Notre Dame and the former No. 1 Ohio State.



Georgia Tech's Phillip Rogers eluding Georgia's Adrian Hollingshead for a first down. Tech ended a seven-year losing streak against its in-state rival.

## Jets Throttle Panthers to Keep Pace In AFC East

The Associated Press  
Blistered by three losses to weak teams, the New York Jets showed the maturity and killer instinct of a playoff contender Sunday, routing the Carolina Panthers, 48-21.

New York (8-4) won its fifth straight home game for the first time in 12 years by responding to the coaching staff's warnings not to underestimate their opponent the way they had done in losses to Baltimore, St. Louis and Indianapolis.

Victimizing Carolina's 28th-ranked defense, Curtis Martin and Keyshawn Johnson struck for long TD runs. Vinny Testaverde's accuracy — 16-for-21 — and strong work by the offensive line also keyed the victory that keeps the Jets a contender in the AFC East Division.

New York also dominated defensively, getting five sacks against the inept Panthers (2-10), who had split their last four games and were playing opponents tightly before the lopsided defeat Sunday.

Jaguars 34, Bengals 17 With a career-high four touchdown passes, Mark Brunell put Jacksonville in control of the AFC Central Division.

Brunell rebounded from his worst game as a pro last week by throwing a touchdown pass in each quarter Sunday, setting up the victory over host Cincinnati.

Jacksonville improved to 9-3 and opened a two-game lead in the AFC Central, which the Jaguars have never won. Three of the Jaguars' last four games are at home, where they've gone 5-0 this season. The victory came one week after Brunell threw three interceptions in a 30-15 loss in Pittsburgh, wasting a chance to open a three-game lead.

By losing to Detroit in overtime Thursday, on Thanksgiving, the Steelers gave the Jaguars another chance.

The Bengals lost their seventh straight game and fell to 2-10 for the first time since 1994. They changed quarterbacks — Paul Justin gave way to Neil O'Donnell after a first-half interception — but were derided by the crowd of 55,000, which booed repeatedly and waved anti-Bengals banners.

The Tampa Bay Buccaneers beat the Chicago Bears, 31-17; the Phoenix Cardinals downed the Kansas City Chiefs, 34-24; Atlanta Falcons defeated St. Louis Rams, 21-10; and the Indianapolis Colts returned to Baltimore and lost, 38-31, to the Ravens.

## Panthers Chase Hasek and Embarrass Sabres, 6-2

The Associated Press  
Rob Niedermayer scored twice and Ray Whitney added a goal and three assists as the Florida Panthers routed the Buffalo Sabres, 6-2, after chasing

ing 2-1 after the first period. He made 15 of 17 saves, but the Panthers peppered him from the opening seconds.

"It was a night where we clearly weren't getting anything accomplished, so why play him?" Ruff said.

Dwayne Roloson played the final two periods, giving up four goals on 30 shots.

Ray and Michel Grosek, one of the Buffalo scorers, were ejected for their part in a brawl with 11:48 left that resulted in 70 minutes of penalties.

The New Jersey goalie, stopped 24 shots and Patrick Elzer scored his first goal in 16 games and had an assist as the Devils won in Denver. Bobby Holik had a goal and an assist, and Jason Amott got a goal for the

Devils. Adam Denndash and Claude Lemieux scored for the Avalanche.

Maple Leafs 3, Senators 2 Derek King's second goal of the game, on a power play 42 seconds into overtime, gave Toronto a comeback victory over Ottawa.

Penguins 4, Canadiens 3 Martin Straka scored three goals as Pittsburgh won in Montreal. Straka scored one during the two-goal burst within 15 seconds of the second period that snuffed a 1-1 tie. Straka also had a goal earlier in the second period and one in the third to give him 13, placing him among the top five scorers in the National Hockey League.

Hurricanes 3, Islanders 1 Trevor Kidd stopped 21 shots and Carolina scored three times within a 4:19 span of the

second period to win in New York.

Coyotes 4, Kings 0 Daniel Briere and Juhani Ylonen broke open a scoreless duel with goals 57 seconds apart in the second period as Phoenix won in Los Angeles.

The Coyotes marked the occasion of Jim Schoenfeld's 100th game as their coach with their third shutout of the season.

Flames 5, Blackhawks 4 In Calgary, Andrew Cassels scored two goals, including the game winner, 1:47 apart in the second period, as the Flames beat Chicago. Tony Amonte scored three goals for Chicago to lift his league-leading total to 17.

Blues 4, Capitals 2 In St. Louis, Jamie McLennan stopped 32 shots, and Pierre Turgeon scored the game-winning goal as the Blues beat the Capitals.

## SCOREBOARD

## ICE HOCKEY

## NHL Standings

Team	W	L	T	Pts	GF	GA
New Jersey Devils	13	7	1	27	54	49
Pittsburgh Penguins	10	6	2	22	43	28
Philadelphia Flyers	9	9	2	20	56	47
N.Y. Islanders	10	10	0	20	39	54
N.Y. Rangers	5	9	7	17	31	58
Washington Capitals	12	9	2	26	54	49
Calgary Flames	10	7	2	22	43	28
Edmonton Oilers	10	7	2	22	43	28
San Jose Sharks	13	9	2	28	74	68
Los Angeles Kings	10	10	0	20	48	58
Chicago Blackhawks	10	7	2	22	61	50
St. Louis Blues	9	9	2	20	51	50
Minnesota Wild	7	12	1	14	49	64
NORTHEAST DIVISION						
Florida Panthers	13	9	2	28	74	68
Atlanta Thrashers	10	10	0	20	58	58
Tampa Bay Lightning	10	7	2	22	61	50
Carolina Hurricanes	9	9	2	20	51	50
Washington Capitals	7	12	1	14	49	64
SOUTHEAST DIVISION						
Florida Panthers	10	10	2	22	59	58
Atlanta Thrashers	8	9	2	21	50	58
Tampa Bay Lightning	9	9	2	20	51	50
Carolina Hurricanes	6	13	2	14	45	77
WESTERN CONFERENCE						
Colorado Avalanche	12	12	2	26	69	69
St. Louis Blues	9	9	2	20	57	67
Chicago Blackhawks	9	11	1	19	52	67
Minnesota Wild	7	13	2	16	45	80
CENTRAL DIVISION						
St. Louis Blues	12	9	2	25	66	52
Chicago Blackhawks	9	12	1	19	52	67
Minnesota Wild	9	12	1	19	53	62
Calgary Flames	8	13	2	18	45	70



**WORLD ROUNDUP**

**England Totters**

**CRICKET** David Fleming, the Australian fast bowler, took four wickets in 11 overs Sunday as England stumbled in its second innings in the second test in Perth.

England, 128 behind on the first innings, slumped to 67 for five wickets before reaching 126 for five at the close of the second day.

The batting collapse wasted a strong fightback by England's bowlers. Defending its poor first innings total of 112, England cleaned up Australia's last six wickets for just 31 runs to dismiss the home country for 240. Alex Tudor, playing his first test, took four for 89.

Shaun Pollock took four wickets Sunday to put South Africa in a winning position against West Indies and to lift his test total to 100 wickets. The visitors were all out for 170 in their second innings, leaving South Africa to make 164 to win with one day to play.

Zimbabwe bowled Pakistan out for 103 Sunday in its second innings in the first test in Peshawar. Needing 162 to win, Zimbabwe batted carefully to reach 70 for one before the close of the third day's play. Zimbabwe has never won a test abroad. (Reuters)

**Austrians Dominate**

**SKIING** Alexandra Meissnitzer completed an Austrian sweep of the women's alpine races this weekend when she won the World Cup super-giant slalom in Lake Louise, Canada, on Sunday.

Meissnitzer flew down the 32-gate course in 1 minute, 17.32 seconds. Pernilla Wiberg of Sweden was second, and Hilde Gerg of Germany was third.

Renate Goetschle of Austria won the downhill races Friday and Saturday. Austria had four skiers in the top six Saturday and three in the top six Friday.

Thomas Stangassinger survived an icy course and a fast second run by Sebastian Amiez of France to capture the men's slalom Saturday in Aspen, Colorado. Austrian racers have won all but one of the five men's races so far. (AFP)

**Ex-Mets Chairman Dies**

M. Donald Grant, the former chairman of the New York Mets, died Saturday. He was 94.

Grant, a Wall Street stockbroker for Fahnestock & Co., was chairman of the team from its inception in 1962 until he was forced out after the 1978 season.

He was best known for trading the pitcher Tom Seaver to Cincinnati and Dave Kingman to San Diego the same night. Both were involved in contract disputes with the club.

"The press made such a martyr of Seaver that it killed me," Grant said. "I did a good job for a long time. We won two pennants and one World Series." (AP)

**Manchester Climbs Chart, With Victory Over Leeds**

**Aston Villa Leads Premier League by Only One Point**

*Compiled by Our Staff From Dispatches*

Manchester United gained a hard-fought 3-2 victory over Leeds United on Sunday to get within a point of Aston Villa at the top of English Premier League.

Villa drew, 2-2, at Nottingham Forest on Saturday.

Leeds stole an early lead when Jimmy Floyd Hasselbaink beat Peter Schmeichel, the United goalkeeper, in the 29th minute.

Ole Gunnar Solskjaer evened the score just

Italy's Japanese soccer sensation. Page 24.

before halftime and one minute after the break, Roy Keane put Manchester ahead.

Harry Kewell exploited a mistake by Jaap Stam, the center back for Manchester, to tie the score for Leeds.

Then Nicky Butt, a midfielder who has struggled to hold down a spot on the starting team place this season, settled the match with a fierce right-footed shot after a clever turn at the edge of the goal area in the 77th minute. It was Butt's first goal in eight months.

Nicolas Anelka scored with two minutes to play to give host Arsenal a 1-1 draw with Middlesbrough. Arsenal moved up to fourth place.

Liverpool beat the visiting Blackburn Rovers, 2-0. Paul Ince, the former England captain, scored the first goal in the 30th minute. Michael Owen made it 2-0 three minutes later when his sharp shot was blocked by Blackburn's goalkeeper, John Fylan, but rebounded off Owen's knee and into the net.

On Saturday, Trevor Sinclair scored twice as West Ham beat its London rival, Tottenham, 2-1, to climb into second place.

Duncan Ferguson scored twice in his first game for Newcastle as it beat Wimbledon, 3-1.

Spain Real Mallorca and Celta Vigo, the surprise pacesetters in the Spanish league, both stumbled Sunday.

Mallorca, the leader, lost, 1-0, in Bilbao in pouring rain. Ismail Urzaiz scored in the sixth minute to give the victory to Athletic, which finished second last season but has struggled this year.

Celta drew, 2-2, at home against Valencia.

Gabriel Popescu gave Valencia the lead after 23 minutes. Alexander Mostovoi and Juan Sanchez replied for Celta. Bot Adrian Ilie, a Romanian striker, blasted in a goal from the edge of the penalty area to secure a point for the visitors.

Valladolid won, 1-0, at Deportivo Coruna to climb to fourth.

On Saturday, Barcelona started its centenary celebration by losing, 1-0, at home to Athletic Madrid. Vladimir Jugovic scored the only goal, on a penalty kick after 39 minutes. Athletic climbed to third place, while Barcelona slid to fifth.

Real Madrid did not play. It spent the weekend preparing for the Intercontinental Cup against Vasco De Gama of Brazil in Tokyo on Tuesday. During Real's training session Sunday, one midfielder, Ivan Campo, punched another, Clarence Seedorf.

GERMANY Kaiserslautern demolished Schalke, 4-1, on Sunday to climb to third in the Bundesliga. Schalke, the 1997 UEFA Cup winner, was no match for the reigning Kaiserslautern, which took the lead in the ninth minute with a goal by Marian Hristov. Martin Max evened the score, but in the second half Kaiserslautern scored three times in seven minutes. The defeat pushes Schalke to 15th in the 18-team league.

On Saturday, Giovanni Elber and Bixente Lizarazu scored to give Bayern Munich, the Bundesliga leader, a 2-0 victory over Nuremberg on Saturday. Elber was in excellent form and cracked Nuremberg's defense in the 36th minute for his ninth goal this season.

Two Brazilians, Paulo Rink and Emerson, scored for Bayer Leverkusen, which stayed in second place with a 2-0 victory over visiting Duisburg, while 1860 Munich slipped to fourth after losing 4-1 at Werder Bremen.

FRANCE Bordeaux, playing with 10 men, beat Lens, the reigning champion, 1-0, Sunday to take over at the top of the French first division. Olympique Marseille, which began the day in first place, drew, 0-0, with visiting Paris Saint-Germain.

Nisa Saveljic, a Bordeaux defenseman, was ejected 10 minutes from the end of the game for a tackle from behind on the Lens striker Pascal Nouma.



Rovers' Stephane Henchoz, left, pushing away Liverpool's Michael Owen in a game Sunday.

After 60 minutes, Johan Micoud took a pass from Ali Benarbia and lobbed the ball over the advancing Guillaume Warmuz, the Lens goalkeeper, for his fourth league goal of the season.

On Saturday, the teams chasing Bordeaux and Marseille both lost. Rennes, in third place, conceded two goals in the final two minutes to lose, 3-2, to Nantes. Lyon lost, 4-1, to Bastia, which finished the match with 10 men.

NETHERLANDS Ajax Amsterdam lost, 3-2, Sunday, 3-2, to Vitesse Arnhem in the Dutch first division. Ajax's loss allowed Feyenoord to extend its lead to four points with a 2-1 victory over its Rotterdam rival, Sparta.

Vitesse raced to a 2-0 lead in just 11 minutes. Nikos Machilas scored in the fourth minute and then set up Arco Jochemsen for the second goal.

Just before halftime, Scott Booth, on loan from Borussia Dortmund, headed in Arnhem's third. Ajax came back in the second half, with goals by

Danny Blind and Frank de Boer, but Vitesse held on for its eighth successive home victory.

In Rotterdam, Jon Dahl Tomasson gave Feyenoord the lead in the 16th minute. Eric Tanneer scored the equalizer in the 73d minute. But with two minutes remaining, Bonaventura Kalou turned and twisted through the Sparta defense to set up the winning goal for Julio Cruz.

On Saturday, PSV Eindhoven — playing with 10 men — drew 2-2 at home to Graafland Doetinchem in a game disrupted by angry fans.

Rud van Nistelrooij, the top scorer in the Dutch first division, was ejected in the 17th minute for diving in the Graafland penalty area. PSV fans started a chorus of abuse. The referee responded by suspending play briefly in the 25th minute.

SCOTLAND: In Glasgow, Stephane Guivarc'h and Jorg Albertz scored Sunday as the Rangers beat St. Johnstone, 2-1, to win the League Cup. (AP, AP, Reuters)

**Corretja Outlasts Moya for ATP Title**

*The Associated Press*

HANNOVER, Germany — Alex Corretja of Spain captured the ATP Tour World Championship on Sunday for his first major tennis title, rallying from two sets down to beat his compatriot Carlos Moya in the final.

Corretja, who was crushed in straight sets by Moya in the French Open final in June, got revenge with a 3-6, 3-6, 7-5, 6-3, 7-5 victory.

"I know how you feel, Carlos," Corretja told Moya after shaking his hand.

The tense, four-hour match was the longest final on the men's professional tennis tour this year. Corretja won \$1.36 million and climbed three places up to No. 3 in the final 1998 computer rankings, a career high.

Moya, who squandered a 3-1 lead in the fifth set, collected \$660,000 and will finish the year ranked fifth. He won two titles in 1998.

It was the first all-Spanish final in the history of the event and the first Spanish triumph since 1976, when Manuel Orantes won the title that was then called the Masters.

Moya, 22, opened the match with a break of serve and did it again to win the first set, smashing a volley on his fourth set point.

Corretja, 24, finally gained a break when he hit a deep-angled forehand winner to take a 3-1 lead in the third set. His advantage did not last long, however, ending in a double-fault in the next game. Moya saved another break point with an ace to hold for 4-4.

Corretja, who had upset the top-ranked Pete Sampras in the semifinals, was in trouble again in the 11th game, but hit a sizzling backhand passing shot down the line to hold serve. In the next game, Moya's forehand sailed into the net, giving Corretja the set.

A double-fault by Moya, who beat Tim Henman in the semifinals, gave Corretja a 5-3 lead and he served out the fourth set.

Corretja fell behind 1-3 in the fifth, but broke right back. A forehand by Moya that sailed long gave Corretja another break, a 5-4 lead and a chance to serve out the match. He wasted one match point, which Moya hit a volley winner after a long rally, and then dropped his serve.

But Moya could not hold serve either. The drama ended on Corretja's second match point in the next game, when Moya's forehand sailed long.

Corretja gained the biggest victory of his career and his ninth title. It was his fifth victory in 1998, but his first over Moya this year. Coming into this elite tournament that brings together the year's top eight players, Moya had all five of his indoor matches this year.



Alex Corretja en route to his five-set victory on Sunday in the ATP final.



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